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LEGISLATIVE HISTORY

Public Law 17—82nd Congress

Chapter 28—1st Session

H. R. 2615

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DIGEST OF PUBLIC LAW 17

AMENDS AGRICULTURAL ADJUSTMENT ACT OF 1938. Amends the AAA Act of 1938 so as to provide for a national peanut acreage allotment for 1951, 1952, 1953, and 1954 on the basis of the acreage harvested for nuts in each State during the period 1945-1949, but State allotments are not to be less than the 1950 allotments. Provides that the national acreage allotment for 1955 and subsequent years, less the acreage for new farms, shall be apportioned among the State on the basis of the average acreage harvested for nuts in the State in the preceding five years. Authorizes the Secretary, beginning with the 1951-2 marketing year, to adjust State allotments to increase production of types of peanuts needed to meet the estimated demand for cleaning and shelling purposes. Provides that the State allotments for 1952 and subsequent years shall be apportioned on the basis of peanut production, acreage allotments, abnormal acreage conditions, land and equipment available, and other conditions for the preceding three years; or on the basis of acreage harvested for nuts (excluding acreage in excess of farm allotments) in the county during the preceding five years. Provides for a 1% reserve of the national allotment for new farms, and for reapportioning by the county committee of acreage surrendered by individual farmers. Provides for the pooling and reassigning of acreage allotments for farms removed from production through acquisition by eminent domain. Authorizes the sale of excess peanuts to authorized peanut buyers at prices at which CCC may sell peanuts for cleaning and shelling, as an alternative to the sale of excess peanuts for oil. Provides that reviews of marketing-quota appeals shall be by farmers of the same or nearby counties.

INDEX AND SUMMARY OF HISTORY ON H.R. 2615

February 8, 1951	Hearings: House, Committee on Agriculture.
February 13, 1951	H.R. 2615 introduced by Mr. Cooley to amend the Agricultural Adjustment Act of 1938. Print of Bill as introduced.
February 19, 1951	Hearings: S.742
February 26, 1951	Reported without amendment. House Report 169. Print of Bill as reported.
March 7, 1951	H.R. 2615 passed House without amendment.
March 8, 1951	Referred to Senate Agriculture and Forestry Committee.
March 14, 1951	Reported with amendment. Senate Report 176. Print of Bill as reported.
March 19, 1951	Passed Senate as reported. House conferees appointed.
March 20	Disagreed to request of House for conference.
April 4, 1951	House concurred in Senate amendment
April 12, 1951	Approved -- Pub. Law 17

PEANUT ACREAGE ALLOTMENT AND MARKETING QUOTAS

HEARINGS

BEFORE

THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

EIGHTY-SECOND CONGRESS

FIRST SESSION

ON

H. R. 4, H. R. 8, H. R. 40, H. R. 2085, H. R. 2385,
S. 742, H. J. Res. 121, and H. J. Res. 132
(Superseded by H. R. 2615)

FEBRUARY 8 AND 9, 1951

Printed for the use of the Committee on Agriculture

Serial A



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PEANUT ACREAGE ALLOTMENT AND MARKETING QUOTAS

THURSDAY, FEBRUARY 8, 1951

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to call, at 10 a. m., in room 1310, New House Office Building, Hon. Harold D. Cooley (chairman), presiding.

The CHAIRMAN. The committee will be in order.

We have for consideration this morning H. R. 2085, H. R. 4, H. R. 8, H. R. 40, H. R. 2385, H. J. Res. 121, H. J. Res. 132, and we have, also, before us S. 742, a bill pending in the Senate introduced by Senator Hoey on February 1.

(H. R. 2085, H. R. 2385, S. 742, H. R. 4, H. R. 8, and H. R. 40, H. J. Res. 121, H. J. Res. 132 are as follows:)

[H. R. 2085, 82d Cong., 1st sess.]

A BILL To amend the Agricultural Adjustment Act of 1933, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

1. Subsection (c) is amended to read as follows:

"(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the acreage allotted to each State as its share of the final 1950 national acreage allotment of two million two hundred thousand one hundred and ninety-four acres: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

"(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, adjusted for trends in yields and abnormal conditions of production affecting yields in such five years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-1952 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts (excluding acreage in excess of farm allotments) of such type or types in the three

years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments."

2. Subsection (d) is amended by changing the second sentence to read as follows:

"(d) The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts."

3. Add new subsections (e), (f), (g), and (h) as follows:

"(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

"(f) Not more than one percentum of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

"(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

"(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm ac-

quired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

SEC. 2. Subsection (g) of section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by adding after "1947" in the first sentence the words "or 1948, if no peanuts were harvested on the farm in 1947", (2) by striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop", and (3) by inserting the following new sentences after the fifth sentence: "As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies."

SEC. 3. The first sentence of section 363 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary."

[82d Cong. 1st sess, H. R. 2385]

A BILL To amend the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

1. Subsection (c) is amended to read as follows:

"(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the acreage allotted to each State as its share of the final 1950 national acreage allotment of two million two hundred thousand one hundred and ninety-four acres: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

2. Subsection (d) is amended by changing the second sentence to read as follows:

"(d) The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts."

3. Add new subsections (e), (f), (g), and (h) as follows:

"(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of

farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, and for trends in acreage. The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

"(f) Not more than one per centum of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

"(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

"(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

SEC. 2. Subsection (g) of section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by adding after "1947" in the first sentence the words "or 1948, if no peanuts were harvested on the farm in 1947", (2) by striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop", and (3) by inserting the following new sentences after the fifth sentence: "As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies."

SEC. 3. The first sentence of section 363 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary."

[S. 742, 82d Cong., 1st sess.]

A BILL To amend the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended, to read as follows:

1. Subsection (c) is amended to read as follows:

"(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of two million one hundred thousand acres, or (b) the State's share of two million one hundred thousand acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the five years 1945-1949: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

"(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, adjusted for trends in yields and abnormal conditions of production affecting yields in such five years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-1952 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts of such type or types in the three years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments."

2. Subsection (d) is amended by changing the second sentence to read as follows:

"(d) The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts."

3. Add new subsections (e), (f), (g), and (h) as follows:

"(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allot-

ments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

"(f) Not more than one per centum of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

"(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

"(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

Sec. 2. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

1. Subsection (a) is amended by adding at the end thereof a new sentence as follows: "Notwithstanding any other provisions of this title, no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption."

2. Subsection (g) is amended by (1) adding after "1947" in the first sentence the words "or 1948, if no peanuts were harvested on the farm in 1947", (2) striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop", and (3) by inserting the following new sentences after the fifth sentence: "As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either

delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies."

SEC. 3. The first sentence of section 363 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary."

[H. R. 4, 82d Cong., 1st sess.]

A BILL To Amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, that the supply of any type of peanuts from the 1951 crop will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type of peanuts shall be increased for the 1951 crop to the extent determined by the Secretary to be required to meet such demand and the total increase so determined shall be apportioned among such States for distribution among producers of such types on the basis of the average production of peanuts of such type in the three years preceding the year 1951 and the additional acreage so required shall be in addition to the national allotment and the production from such acreage shall be in addition to the national marketing quota. The increase in acreage allotted under this Act shall not be considered in establishing future National, State, or farm acreage allotments or marketing quotas.

SEC. 2. Subsection (g) of section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop", and (2) by inserting after the fifth sentence of such subsection the following: "As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type determined to be in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to marketing penalties and classification of producers as cooperators, as deliveries to designated agencies."

[H. R. 8, 82d Cong., 1st sess.]

A BILL To amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by striking out the proviso in the last sentence of subsection (a) and inserting a period in lieu of the colon preceding the proviso; and

(2) By changing subsection (c) to read as follows:

"(c) The national acreage allotment shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the five years preceding the year in which the normal allotment is determined, with adjustments for trends, abnormal conditions of production, and, for the crop produced in the calendar years 1952 and thereafter, the State peanut acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That for the second or third year of any

three-year period for which marketing quotas have been approved, the acreage allotment for each State for such year shall be increased above or decreased below the allotment for the State for the immediately preceding year by the same percentage as the national marketing quota for such year is increased above or decreased below the national marketing quota for the preceding year."

Sec. 2. Subsection (c) of section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding thereto the following sentence: "The provisions of this title, except subsection (b) of section 358, and the Agricultural Act of 1949 shall apply to each of the following groups of peanuts severally:

- "(1) Virginia and Valencia types;
- "(2) Spanish type; and
- "(3) Runner type."

Sec. 3. This Act shall become effective beginning with the 1951 crop of peanuts.

[H. R. 40, 82d Cong., 1st sess.]

A BILL To amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, that the supply of any type of peanuts from the 1951 crop will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type of peanuts shall be increased for the 1951 crop to the extent determined by the Secretary to be required to meet such demand and the total increase so determined shall be apportioned among such States for distribution among producers of such types on the basis of the average production of peanuts of such type in the three years preceding the year 1951 and the additional acreage so required shall be in addition to the national allotment and the production from such acreage shall be in addition to the national marketing quota. The increase in acreage allotted under this Act shall not be considered in establishing future National, State, or farm acreage allotments or marketing quotas.

Sec. 2. Subsection (g) of section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop", and (2) by inserting after the fifth sentence of such subsection the following: "As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type determined to be in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers, shall have the same effect, with respect to marketing penalties and classification of producers as cooperators, as deliveries to designated agencies."

[H. J. Res. 121, 82d Cong., 1st sess.]

JOINT RESOLUTION Relating to peanut acreage allotments under the Agricultural Adjustment Act of 1938, as amended

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subsection (e) as follows:

"(e) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of

acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 per cent of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

[H. J. Res. 132, 82d Cong., 1st sess.]

JOINT RESOLUTION Relating to peanut acreage allotments under the Agricultural Adjustment Act of 1938, as amended

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subsection (e) as follows:

"(e) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

The CHAIRMAN. I would like to inquire, first, if there is someone from the Department who has given consideration to all of these bills and is now in position to discuss the bills which the committee is to consider.

(The Chairman recognized Mr. Frank K. Wolley, Deputy Administrator, PMA.)

STATEMENT OF FRANK K. WOOLLEY, DEPUTY ADMINISTRATOR, PMA; ACCOMPANIED BY GEORGE L. PRITCHARD AND GEORGE A. PARKS, FATS AND OILS BRANCH, DEPARTMENT OF AGRICULTURE

Mr. WOOLLEY. I would like to make a few comments, and then turn it over to one of our men in the Fats and Oils Branch.

The CHAIRMAN. The Chair will be very glad to recognize you at this time, Mr. Woolley.

May I ask, first, Mr. Woolley, a question or two about the peanut situation?

As I understand the present law it is applicable to all types of peanuts, when the Secretary feels it necessary, desirable or expedient, to reduce the acreage of peanuts and issue a proclamation calling for reductions applicable to all types of peanuts in all areas; is that true?

Mr. WOOLLEY. That is correct.

The CHAIRMAN. He has no right under existing law to adjust acreages so as to meet demands as to any particular type of peanuts without adjusting the acreage of peanuts across the board?

Mr. WOOLLEY. For 1951 and subsequent years, that is correct, sir.

The CHAIRMAN. With particular reference to the Virginia-Carolina type peanut, this committee has many reasons to believe that this particular type of peanut is now in short supply, that the trade is demanding an increase in the acreage of that particular type peanut, and unless the Secretary is provided with some authority to increase the acreage of the Virginia-Carolina type, you will not have sufficient supply to meet the demand in the current year?

Mr. WOOLLEY. That is correct.

The CHAIRMAN. At the last session of Congress we reported a bill from this committee, which passed the House, without objection I think, which would authorize the Secretary to increase the acreage of any type of peanut which he deemed to be in short supply in an amount sufficient to meet the reasonable demands. The bill was referred to the Senate Committee on Agriculture and Forestry and no action was taken.

In that bill, we also had a provision which dealt with other situations which had arisen. We have, in some of the bills before us a provision which would authorize the Secretary to increase or adjust acreage upward to meet the demands for any particular type of peanut.

We also have other provisions in the bills which were deemed pertinent.

I would like for you to express your views concerning the bills as fully as you may desire, and then present such witnesses as you may have present.

Mr. WOOLEY. Thank you, Mr. Chairman.

The Department of Agriculture has been concerned for some time about the fact that present legislation does not permit the growing of sufficient Virginia type peanuts to meet the market demand.

The Production and Marketing Administration called together its PMA State committeemen from the peanut growing areas and discussed this problem, and as the result of those discussions a letter on December 8, 1950, over the signature of the Under Secretary, Mr. C. J. McCormick, was sent to the Speaker of the House and a duplicate letter was sent on the same date to the President of the United States Senate in which we set forth very fully the problem as we saw it and a suggested draft of legislation.

We pointed out in that letter that under the existing law we could only put out an acreage allotment for 1951 of 1,771,117 acres and that in our judgment the Virginia-type producing area should be permitted to plant up to its 1941 acreage allotment. The legislation that we drafted had as its main features the carrying out of that particular fact.

We, in the Department, are in favor of any legislation that will permit a breaking of the impasse which seems to have been reached with respect to this subject. And the only condition that we have, is

that any legislation that is passed will not result in the increasing of the production of a type of peanut that is surplus to edible demand which would result in additional losses to the Commodity Credit Corporation.

As a result of the 1949 program we lost approximately \$40,000,000 in supporting the price of peanuts, and it is our estimate that we will lose in the neighborhood of \$20,000,000 on the 1950 program. We do not believe that we should be in favor of legislation which will result in continuing losses to the Corporation at a time when we have a very strong demand for certain types of peanuts.

We have not come this morning prepared to discuss all of the bills, Mr. Chairman, that you referred to in your opening statement. We have analyzed the legislation that was introduced by you under H. R. 40 and also legislation that was suggested by the Department and legislation that was suggested by the Farm Bureau Federation. I think that bears the number S. 742.

We have provided to Mr. Parker of your committee an analysis of those bills. We have also provided the Farm Bureau Federation with an analysis of those bills, and I think that the discussion can proceed more intelligently if we will now have Mr. Parks of our Fats and Oils Branch just go through the statistics as we have analyzed them.

As I say, we have not received your bill, H. R. 2085, in sufficient time for our people to make an analysis of it and get it mimeographed so that you could have it available before you this morning.

We do have a pencilled analysis available which Mr. Parks will be happy to go through with the committee.

There is one fundamental difference between the bill which has been suggested by the Department and the bill that has been suggested by the Farm Bureau Federation, and that is we believe that in case there is to be an increase in the allotments for a particular type of commodity that it ought to be done by a formula set forth in the act; whatever that formula might be, we are willing to live with, but we think the Congress should set forth what it is that they want us to do.

In the Farm Bureau bill they leave it entirely up to the discretion of the Secretary of Agriculture, and we think that, in view of the difficulties that can be encountered between various types, that legislation should spell it out very clearly what is intended.

There is one other point that I want to make crystal clear, so that in the future we will not have any misunderstanding on the question at all, and that is that the Department of Agriculture does not have official statistics or unofficial statistics which will provide us a basis to give you data which we can say is positively accurate and will not be changed. Every figure that we have this morning that we will present to you is an estimate on the basis of our best judgment. When we go back into the operation of any type of program that will break peanuts into types, facts will undoubtedly come to life which will make the figures that will be before you this morning different and may become operative in a program, and I hope no one will say that we have not clearly made the record here before this committee that we are not representing that any one of these figures are accurate. All we are representing is that they are the best judgment that we can bring to this committee on the basis of the facts we now have at hand. The facts that we now have at hand in the Department of Agriculture are not sufficient for us to be positive about anything.

And with that very definite understanding, we are happy to give you our best judgment with respect to what the figures might result in.

Mr. ABERNETHY. Are you willing to follow them as you did the BAE figures under the cotton program?

Mr. WOOLLEY. The discussion with respect to BAE figures on cotton is the reason why I felt impelled to make the statement I did about the fact that these figures are not something that we want to be tied to in any way, shape or form with respect to what might come out in the way of legislation.

Mr. ANDRESEN. I would like to ask Mr. Woolley a question.

You have a history on peanuts for the last 5 years, since 1946, do you not?

Mr. WOOLLEY. With respect to peanuts only.

Mr. ANDRESEN. But not as to types?

Mr. WOOLLEY. That is correct, sir.

Mr. ANDRESEN. I recollect here a few years ago before the peanut program was started when the peanut growers, that is, the historic peanut growers from Virginia were protesting against the expansion of peanuts in Georgia, Texas, and other places. Of course, what has taken place has convinced me that the Virginia peanut growers have been held down. I want to inquire if peanuts are under the support program at the present time. Are you supporting peanuts in any manner?

Mr. WOOLLEY. Yes, sir; we are supporting peanuts under the mandatory provisions of the Agricultural Act of 1949.

Mr. ANDRESEN. What kind of support are you giving peanuts?

Mr. WOOLLEY. We are giving them 90 percent of parity.

Mr. ANDRESEN. What is that figure per pound?

Mr. WOOLLEY. In terms of pounds, I think it is about 12 cents.

Mr. PARKS. You mean at the moment? Parity, January 15, is 12.8 cents a pound. We are supporting this year's crop at \$216 a ton.

Mr. ANDRESEN. \$216 a ton?

Mr. PARKS. Yes.

Mr. ANDRESEN. Are you buying any peanuts at that figure?

Mr. PARKS. Yes.

Mr. ANDRESEN. How many peanuts do you have on hand?

Mr. WOOLLEY. I cannot give you that figure at this time, Mr. Andresen, but the answer is that we do not have very many peanuts in inventory at any one time. We operate our program this way: As the peanuts come to market those which are surplus to edible demand are sold for crushing for oil at a loss to Commodity Credit Corporation. That is the way we handle our program. It is not like the corn program or the wheat program or the tobacco program where we keep the product in inventory.

Mr. ANDRESEN. I understood that we gave peanuts special treatment.

Mr. WOOLLEY. Yes.

Mr. ANDRESEN. Due to the very able work of a former colleague on this committee. Peanuts are being supported—that is, you supported the 1950 crop. Of course, it is too early to talk about support for the 1951 crop.

Mr. WOOLLEY. That is correct.

Mr. ANDRESEN. Because you do not have any peanuts; they have to be raised first.

Mr. WOOLLEY. That is right.

Mr. ANDRESEN. But will you get the figure for the committee as to the peanuts that you have on hand in the 1950 crop?

Mr. WOOLLEY. I will be glad to do so.

The CHAIRMAN. Will you do that with regard to the different types of peanuts, too? I assume that you do not have any substantial quantity of Virginia-type peanuts on hand.

Mr. WOOLLEY. That is correct.

(The information requested above is as follows:)

As of January 29, 1951, Commodity Credit Corporation had 28,740,000 pounds of farmers' stock peanuts in inventory.

Since most peanuts purchased by the Commodity Credit Corporation are sold soon after acquisition, a more significant set of figures than inventory on a particular date is information on the total quantity of peanuts purchased by Commodity Credit Corporation during the marketing year. The following is a report of the quantity of peanuts purchased through February 3, 1951, by Commodity Credit Corporation from the 1950 crop of peanuts produced on allotted acres (purchases of "excess" peanuts produced on excess acres for oil are not included):

<i>Farmers' stock peanuts purchased</i>		<i>Pounds</i>
Area and types:		
Virginia-Carolina area.....		0
Southeast area.....		63, 155, 000
Runners.....		59, 933, 000
Spanish.....		2, 227, 000
Virginias.....		995, 000
Southwest area (Spanish type).....		2, 736, 000
United States total.....		65, 891, 000

<i>Shelled peanuts purchased through the No. 2 program</i>		<i>Pounds</i>
Area and types:		
Virginia-Carolina area (Virginia type).....		17, 870, 000
Southeast area.....		108, 733, 000
Runner.....		95, 974, 000
Spanish.....		12, 730, 000
Virginia.....		29, 000
Southwest area (Spanish type ¹).....		28, 860, 000
United States total.....		155, 463, 000

¹ A few Valencias may be included.

Mr. ALBERT. They do not have any substantial quantity of any type. As soon as they are taken over, they are crushed.

The CHAIRMAN. I understand that. You do not crush the Jumbo type that is ready for market?

Mr. WOOLLEY. No. With respect to the Virginia type peanuts we have been crushing what is known as the No. 2 peanuts which are not very desirable for the edible trade. Of course, we support the entire production of peanuts that are picked and threshed and marketed from quota acreage.

Mr. ABBITT. What he had in mind probably was the number of pounds that had to be crushed into oil.

Mr. ANDRESEN. That was the next thing I was coming to. The peanuts as you buy them are being crushed into oil. Of course, that does not take in the Virginia peanuts, I understand.

Mr. ALBERT. It takes in all of the peanuts.

The CHAIRMAN. They crush the No. 2.

Mr. ALBERT. It does not take in the best quality of Spanish or any other type of peanut.

Mr. ANDRESEN. What funds are you using to convert those peanuts into oil to the processors?

Mr. WOOLLEY. Commodity Credit Corporation.

Mr. ANDRESEN. You are not using section 32 funds?

Mr. WOOLLEY. That is correct, sir; we are not, except for some exports.

Mr. ANDRESEN. Will you give the committee—you can get it and submit it—a clear picture as to the extent of the support for 1950 crops and what is proposed for 1951?

Mr. WOOLLEY. Yes, sir.

Mr. ANDRESEN. That is on the amount of peanuts. Are you supporting any other crops, any other commodities at the present time?

Mr. WOOLLEY. Yes; we are supporting all of the crops that are under mandatory support in connection with the Agricultural Act of 1949, which includes corn, wheat, cotton, tobacco, and rice. Those are mandatory commodities. We are also supporting wool which, in one manner of speaking, is a mandatory commodity. The prices of many of these commodities are such, though, that we have very little activity in connection with them.

And then we are supporting also a number of other commodities that are strictly permissive in the discretion of the Secretary of Agriculture, such as oats, barley, rye, and so forth.

Mr. ANDRESEN. Will you supply the committee with a table showing the amount of Government-held commodities under the support program as of February 1, including all of them?

Mr. WOOLLEY. Yes, sir; we will be happy to do so.

(The information requested above is as follows:)

In response to the questions relating to Commodity Credit Corporation inventory holdings as of February 1, we are submitting a copy of the Commodity Inventories Estimated as of January 29, 1951, of the Commodity Credit Corporation. The figures contained in this report are based on estimates taken from operating records in which cognizance is given to purchases which have not been delivered and sales or planned dispositions of commodities which have not been delivered. Until delivery has been accomplished, specific data as to quantities are not available. The official inventory of the Commodity Credit Corporation as taken from its accounting records (based on passage of title) is that contained in the monthly Report of Financial Condition and Operations of the Commodity Credit Corporation. The latest available issue of this report is that as of December 31, 1950. It is suggested, therefore, that, in using these figures, appropriate footnotes or explanations be made that the figures are taken from operating records and therefore contain estimates.

Commodity inventories estimated as of Jan. 29, 1951

Branch and commodity	Estimated quantity	Approximate unit cost	Estimated aggregate cost
Cotton:			
1938 cotton, American-Egyptian.....bales	48	\$277.30	\$13,000
1949 cotton, American-Egyptian.....do	631	265.00	167,000
1948 cotton, upland.....do	15,910	185.00	2,943,000
1949 cotton, upland.....do	86,313	180.00	15,536,000
Cotton linters—second.....do	16,000	42.00	252,000
Dairy:			
Butter.....pounds	210,900,000	.63	6,867,000
Cheese.....do	28,290,000	.34	2,788,000
Milk, dried.....do	118,700,000	.13	15,431,000
Fats and oils:			
Linseed oil.....do	516,625,000	.286	147,755,000
Peanuts, farmers stock.....do	28,740,000	.103	2,960,000
Tung oil.....do	1,566,000	.245	384,000
Grain:			
Grains:			
Barley.....bushels	22,012,000	1.48	32,578,000
Beans, dry edible.....hundredweight	6,708,000	8.17	54,804,000
Corn.....bushels	408,889,000	1.54	629,689,000
Grain sorghums.....hundredweight	16,472,000	2.69	44,310,000
Oats.....bushels	11,438,000	.94	10,752,000
Peas, dry edible.....hundredweight	5,000	3.75	19,000
Rice, milled.....do	223,000	9.62	2,145,000
Wheat.....bushels	227,718,000	2.40	546,523,000
Flaxseed.....do	3,054,000	4.71	14,384,000
Seeds, hay and pasture.....pounds	677,000	.2123	144,000
Seeds, winter cover crop.....do	13,777,000	.0623	858,000
Livestock:			
Mexican canned beef.....do	115,571,000	.19643	3,059,000
Wool:			
Scoured, available for sale.....do	None		
All other.....do	32,236	.5473	18,000
Poultry: Eggs, dried, 1950.....do	68,072,527	1.00	68,072,000
Tobacco:			
Naval stores:			
Rosin:			
1948.....do	22,178,000	.0820	1,819,000
1949.....do	153,141,000	.0689	10,551,000
Turpentine, 1949.....gallons	678,000	.4328	293,000
Tobacco, Wisconsin.....pounds	2,263,000	.2898	656,000
Total.....			1,615,770,000

¹ Withdrawn from sale.

² Entire lot committed for sale.

NOTE.—This report reflects operating data taken from various sources and is, in part, based on preliminary estimates. The official inventory of the Corporation, as taken from its accounting records, is that contained in the monthly report of financial condition and operations.

Source: Department of Agriculture, Production and Marketing Administration, Commodity Credit Corporation.

Mr. ANDRESEN. You got rid of your butter and you have gotten rid of the cheese?

Mr. WOOLLEY. That is correct.

Mr. ANDRESEN. I would also like to have a statement showing how you got rid of them.

Mr. WOOLLEY. We will be happy to supply that for the record.

Mr. ANDRESEN. And at what price.

Mr. WOOLLEY. We will be happy to supply that for the record.

(The information is as follows:)

Commodity Credit Corporation disposition of its price-support stocks of butter and cheese were as follows: Section 416 donations to public and private welfare agencies totaled 73,000,000 pounds of butter and 29,000,000 pounds of cheese. An additional 19,000,000 pounds of butter were transferred last year to a section 32 program and used primarily for school lunches. Negotiated sales to foreign governments totaled 5½ million pounds of butter at 15 cents per pound and 71½ million pounds of cheese at an average of approximately 13½ cents per pound.

Sales back into domestic trade channels totaled 135,000,000 pounds of butter and 33½ million pounds of cheese. These sales were made at prices which approximated the Commodity Credit Corporation purchase prices and carrying costs. The announced domestic selling prices during 1950, for example, corresponded to 63 cents per pound for grade A butter and 33 cents per pound for grade A cheese. A remaining few million pounds of butter were sold on competitive bids at somewhat above this price in early 1951.

Mr. POAGE. Will the gentleman yield?

Mr. ANDRESEN. Yes.

Mr. POAGE. I want to see if we cannot get it very plain in this record that while you said that you were supporting all of these commodities, including wool and cotton among others, that, as a matter of fact, you are not at the present time buying wool and cotton, because there is none coming to the Commodity Credit Corporation.

Mr. WOOLLEY. That is correct. I tried to make that clear.

Mr. POAGE. I know you tried to make it clear, but I read some of these newspapers here which will pick up your statement that you were supporting cotton and wool at the present time, and I would expect to find the headline tomorrow morning, not earlier, but tomorrow morning, in one of the Washington papers to the effect that the Commodity Credit Corporation was now buying the entire wool and cotton crop of the United States, because that is about as accurate reporting as we generally have had in regard to the support program in one of the Washington newspapers.

Mr. WOOLLEY. In that connection, I think this committee will be interested in knowing that the inventories of agricultural commodities in the main have been very highly desirable and have served a very useful purpose, and the people who have been criticizing the fact that the Commodity Credit Corporation had those inventories are now turning to the criticism that we do not have large enough inventories and that we disposed of them in accordance with the law. For instance, on cotton, we had 4,000,000 bales of cotton which was used to stabilize the market. We sold that cotton back into the market when it would return the level that the Congress indicated we should receive. It had a very fine effect in stabilizing the markets.

We are now being criticized because we turned it back in to the markets.

Mr. POAGE. May I again add a little clarification, because I am sure there are those who are reporting here this morning who will not honestly understand what you have just said there.

As I understand what you say, it is that you sold that cotton at a price that kept the price of the cotton down, rather than running the price up?

Mr. WOOLLEY. That is correct.

Mr. POAGE. And that instead of using that cotton to enrich the farmers, after cotton was bringing parity—

Mr. WOOLLEY. That is correct.

Mr. POAGE. You used your powers to reduce the price, rather than to increase the price?

Mr. WOOLLEY. It was not up to parity, it was 105 percent of the support price plus carrying charges, which would not be parity.

Mr. POAGE. That is right.

Mr. WOOLLEY. In connection with the amount of corn, wheat, grain sorghums, and other commodities, which were being viewed with

alarm by many people as to their size, particularly when we were before the Congress asking for an increase in our borrowing authority, we are now disposing of those stocks because of the intense demand. And the State Department has come to us and asked for additional supplies to be made available to foreign countries over and above what we have available.

The corn carry-over that we had on October 1 of 859,000,000 bushels is serving a very good purpose in underwriting a large live-stock production in the United States. If we have a normal crop in 1951 it looks like, with the livestock population, that that inventory of corn will be drawn down to less than 500,000,000 bushels, and probably down to around 400,000,000 bushels. We think that that is a very unsafe carry-over of corn, that we should have some place in the neighborhood of 850,000,000 to a billion bushels of corn in order that in case we have a poor crop we will not have to liquidate our livestock and result in much higher livestock product prices.

We have taken off the acreage allotments on corn and on wheat, and we have asked the farmers to plant some 90,000,000 acres of corn in the hope that we will be able to produce enough feed to produce the livestock products that this country needs.

And rather than the supplies and inventories of the Commodity Credit Corporation being a burden they have demonstrated once again, as they have demonstrated time and time again in the past, the fine effect they have on stabilizing prices, so far as the American consumer is concerned, and also stabilizing livestock production and stabilizing many other aspects of our economy.

Mr. POAGE. May I again interrupt you. You use the words "stabilizing prices," and you mean keeping prices down to the consumer?

Mr. WOOLLEY. That is correct.

Mr. POAGE. After it reached parity?

Mr. WOOLLEY. That is correct, sir.

Mr. ANDRESEN. Of course, we all recognize that people have a right to change their ideas about what the Government does, and they do frequently. We must recognize that on June 27, and after that time, the entire economy of the country changed, so far as the demand for food and other things took place.

Mr. WOOLLEY. That is correct, Mr. Andresen, but also we had a drought in 1934, we had a drought in 1936, we had a corn crop failure in 1947. They had nothing to do with wars.

The CHAIRMAN. And almost a cotton crop failure in 1950.

Mr. ANDRESEN. Speaking about drought, have you any assurance now that we are going to have a wheat crop in 1951?

Mr. WOOLLEY. We have received reports from the winter wheat area as to the moisture that has fallen out there, which indicates that the prospects as of today for a winter wheat crop are not nearly as good as we would like to see them, so that the 450,000,000 bushels of wheat that we have in the Commodity Credit Corporation inventory are going to come in very, very handy in case the wheat crop continues as bad as it looks right now. This is very early to be prognosticating as to what will happen to that crop.

Mr. ANDRESEN. You cannot tell until May what kind of a winter wheat crop we are going to have; is that not correct?

Mr. WOOLLEY. I think it is along in that time of the year before it is made.

Mr. ANDRESEN. We may have an extreme failure in the Southwest in winter wheat where they have been short of moisture for at least 4 or 5 months, if the information given me is correct. We may not have very much of a winter wheat crop. What did you say the amount was that you had on hand, 450,000,000?

Mr. WOOLLEY. I think it is about 450,000,000 bushels at the present time.

Mr. ANDRESEN. The domestic economy will use at least 50,000,000 bushels a month for flour and other purposes in this country, so that that supply is not very large.

Mr. WOOLLEY. That is correct. And it will come in very handy and the people that will profit by it will be the consumers of the United States.

Mr. ANDRESEN. What are we going to do if we only get a wheat crop in the country this year of around 650,000,000 bushels?

Mr. WOOLLEY. You say what will we do if we only get that much?

Mr. ANDRESEN. Yes.

Mr. WOOLLEY. Of course, the net effect of that assumption would be that we would have to curtail our exports of wheat very drastically.

Mr. ANDRESEN. They are talking now about giving India 70,000,000 bushels, or 2,000,000 tons of wheat or bread grains, and I suppose that is mostly wheat.

Mr. WOOLLEY. That is correct.

Mr. ANDRESEN. Why do you not send the peanuts over there to India? I do not think that you can make any safe commitments on your exports of wheat, whether it is giving it away, or paying for it through the Marshall plan or selling it, until we find out what kind of a crop we are going to produce in this country, in this year 1951.

Mr. WOOLLEY. I agree that you cannot make any guarantees of delivery until the crop has been harvested, because it may not be there.

Mr. ANDRESEN. We can pretty nearly tell what the winter wheat crop will be, about the 10th of May, when the estimate comes out, but I know that it was not so many years ago that we put in an amendment in the law requiring a carry-over of not less than 100,000,000 bushels. You remember that?

Mr. WOOLLEY. That is correct.

Mr. ANDRESEN. That was to play safe, because we certainly do not want to run out of bread here, or wheat for bread, in this country.

Mr. WOOLLEY. You are fully familiar with the fact that the inventories of the Commodity Credit Corporation are not the only inventories that are in existence in the country, from the standpoint of determining the carry-over.

Mr. ANDRESEN. That is part of the carry-over.

Mr. WOOLLEY. That is right, but the carry-over would be greater, that is my point, than the 450,000,000 bushels.

Mr. ANDRESEN. You mean the carry-over on July 1 will be more than 375,000,000 bushels?

Mr. WOOLLEY. I say that the carry-over as of July 1, 1950, was more than 450,000,000 bushels.

Mr. ANDRESEN. Have you made any estimates as to what it will be on July 1, 1951?

Mr. WOOLLEY. Yes, but I do not have them in mind right now. I think, assuming normal yield, we will have a healthy carry-over on July 1, but that assumes a normal yield on both the spring and winter wheats.

Mr. ANDRESEN. That you cannot anticipate now?

Mr. WOOLLEY. That is only an assumption that we can make as of today.

Mr. ANDRESEN. That is all.

The CHAIRMAN. Coming back to peanuts, let me make it clear that you and others in the Department are in favor of Congress giving the Secretary specific authority to increase the acreage of peanuts of any particular type when the demand situation justifies it?

Mr. WOOLLEY. We would prefer that it be given to the Department of Agriculture through a legislative formula, so that we could follow the formula in the act. If, however, in your judgment you want to give it to the Secretary of Agriculture, we will do the very best we can to carry out what is your evident intention.

The CHAIRMAN. Would it not be very difficult to design a formula? Should it not be much better to let the Secretary determine what should be done, based upon the actual marketing situation confronting him at the time?

Mr. WOOLLEY. We believe that a formula can be set up in the act which will substantially take care of the question. However, there is not any question but that facts would come to light which you could not put into a formula but which the Secretary could take into account. This would probably make the end result fit better, but we think that in a case where there is as much difference of opinion as there is here it would probably be in the interest of getting on with the job a little more harmoniously if it were written into the legislation.

The CHAIRMAN. I should like to ask another question. Do you not think that in the interest of the entire farm program it is incumbent upon Congress to relieve the Secretary of the situation in which he finds himself at the moment with regard to the Virginia-Carolina type peanut?

Mr. WOOLLEY. That is true. There is not any question but what the Government is in a very seriously inconsistent position, as it finds itself now with the present legislation on the books.

The CHAIRMAN. In other words, unless we do something we will be subjecting ourselves to just criticism to the effect that we are curtailing production of a very vital commodity which is in short supply?

Mr. WOOLLEY. I think that is absolutely correct.

The CHAIRMAN. Are there any further questions?

Mr. ALBERT. Mr. Woolley, do you think the same differential exists between the Spanish and runner types as exists between the Virginia and the other two types?

Mr. WOOLLEY. You mean the difference in the market?

Mr. ALBERT. I mean, what is the situation with respect to the Government on the Spanish and runner types?

Mr. WOOLLEY. I think in response to that question the answer is that the Spanish type has a much more ready market than the runner type under present consumer preferences.

Mr. ALBERT. Let me ask you this question: If we set the Virginia type aside and give authority to make special allotments to take care of the demand, will that have the effect, if it is applied only to the Virginia type, of making the Spanish type take the rap for the whole program?

Mr. WOOLLEY. We have no intention in any of our thinking of bringing about that result. The only result we are anxious to obtain

is that whatever type peanut it is, whether it be Virginia, Spanish, or runner or Valencia, that if they are not in sufficient demand to the extent that we are having to take them off the market and incur a loss to the Commodity Credit Corporation, we think that the production ought to be reduced.

Mr. ALBERT. But in practice what you are telling us is that you want to increase the Virginia type. Now, when you make a contract with the shellers do you not make entirely different contracts as between the Spanish and the runner types, and does the CCC not take a much heavier load from the shellers in order to enable them to move a portion of their runner peanuts into the markets?

Mr. WOOLLEY. Well, I do not know just what you have reference to there. I was not conscious of the fact that we were in any way discriminating against Spanish peanuts.

Mr. ALBERT. You are discriminating in the sense that you allow shellers of runner-type peanuts to dump a larger share of their products on the Commodity Credit Corporation.

Mr. WOOLLEY. No; I think that there is some misunderstanding there. We are obligated under the law to take the peanuts that are produced.

Mr. ALBERT. You are, of course, obligated under the law to take all peanuts that are produced from allotted acreage.

Mr. WOOLLEY. That is right.

Mr. ALBERT. But in the meantime, before you take them back at the support price, you are buying under the No. 2 program a large number of runner-type peanuts and you are not buying a corresponding amount of Spanish-type peanuts, is that not correct?

Mr. WOOLLEY. That is correct.

Mr. ALBERTS. The result of that is that the sheller holding Spanish-type peanuts is at a disadvantage in the operation of the No. 2 program.

Mr. WOOLLEY. Well, as I say, I am not able to follow the reasoning that you are going through here now to the effect that we are discriminating against the Spanish type. I think the situation that you have reference to, on the surface it appears that we are discriminating in favor of the runner-type peanut, but as a matter of fact it is the only device we knew how to use in order to absorb the additional peanuts that we had to take under the support program. And we thought that the Spanish-type peanuts were enjoying the benefits of the market to the maximum extent that they could get in that market.

Mr. ALBERT. Congressman Poage knows as well as I do that our people in the Southwest are still talking to us about the deal that the Spanish-type shellers have been getting, and yet when all of this business about changing the program comes up they never are mentioned. They just mention the Virginia type.

The CHAIRMAN. This provision is applicable to all types.

Mr. ALBERT. It is applicable in theory to all types, but in practice it is not going to be applicable.

The CHAIRMAN. Yes; it will be.

Mr. ALBERT. I do not think it will be.

Mr. WOOLLEY. If the market reflects a shortage of Spanish-type peanuts, my understanding is that we would be authorized to do the same thing for the Spanish-type peanuts that we would do for the Virginia peanuts.

Mr. POAGE. Will the gentleman yield there?

Mr. ALBERT. Yes.

Mr. POAGE. I am not criticizing the porposition of increasing the Virginia-type peanuts.

Mr. ALBERT. I am not, either.

Mr. POAGE. I expect to go along with it. But, as a matter of fact, it is only a part of the Virginia-type peanuts that are in short supply right now, that is the Jumbos, not all Virginia-type peanuts. There is no short supply of Virginia-type peanuts as a whole. You have been buying Virginia-type peanuts and crushing them into oil, have you not?

Mr. WOOLLEY. We have not bought any mediums, any No. 1's, or any Jumbos.

Mr. POAGE. All right, I know that you have not.

Mr. WOOLLEY. Or any Ball Parks.

Mr. POAGE. You have not purchased any Spanish No. 1 type?

Mr. WOOLLEY. I think not. Our purchases of surplus shelled peanuts are No. 2 peanuts which do, of course, contain some No. 1 kernels.

Mr. POAGE. You have been buying the Virginia-type peanuts, the same kind of peanuts out of the Virginia type that you have out of the Spanish type, and you have been crushing them into oil.

Mr. WOOLLEY. I think that is right.

Mr. POAGE. I am not condemning your doing it, but let us not sit here and say that we are only going to grow something for which there is a great demand on the part of the public. When you increase this acreage in Virginia and North Carolina you are going to increase the number of peanuts grown in Virginia and in North Carolina that are going to go into oil.

Mr. ALBERT. And into butter.

Mr. POAGE. And into peanut butter. You will increase the number that will go into peanut butter and oil.

Mr. WOOLLEY. I think that is correct.

Mr. POAGE. And when you do that you are either going to have to cut the total acreage of the Spanish and runner type of peanuts, or you are going to have a larger surplus than you have now on that part of the crop that you do not sell in the shell; is that not right?

Mr. WOOLLEY. Not entirely.

Mr. POAGE. What is going to happen to those No. 2 Virginia-type peanuts then?

Mr. WOOLLEY. The No. 2?

Mr. ALBERT. Not only the No. 2, but that portion of the crop that goes into peanut butter.

Mr. POAGE. The No. 1's that go into peanut butter, too.

Mr. WOOLLEY. Clearly, the No. 1 and the No. 2 peanuts, the Virginia peanuts, as I understand it, are in competition with the Spanish-type peanuts for the edible trade.

Mr. POAGE. That is right.

Mr. WOOLLEY. And, also, all types of peanuts are in competition with respect to peanut butter. The runners, the Spanish, and the Virginia all go into peanut butter.

Mr. POAGE. That is right.

Mr. WOOLLEY. But my understanding is that there is, as evidenced by price, a very strong demand for the mediums and the No. 1's and the Jumbos and the Ball Parks, which is, obviously, not being supplied

when you look at those prices in relationship to the prices of the runner-type peanut in particular. The Spanish peanut falls somewhere in between with respect to the price structure, but the main weight of the losses that we have incurred have come from the runner-type peanut. There is not any question about that.

Mr. POAGE. They have gone largely into oil?

Mr. WOOLLEY. That is correct.

Mr. POAGE. While we do not grow a runner in the State of Texas that I even know of, is it not true that the oil picture is looking a good deal better?

Mr. WOOLLEY. The picture today looks much better than it did 6 to 8 months ago, but we are still, as of today, with the present oil market, losing in the neighborhood of \$35 to \$40 a ton on oil peanuts.

Mr. POAGE. Yes; but, just as you pointed out a few moments ago, the very stockpiles that you built up of cotton and of wool and of other commodities, and wheat, that were bitterly criticized as late as 7 or 8 months ago, turned out to be substantial blessings to the country. It is not entirely possible that an ample supply of oil peanuts may well be highly desirable from the standpoint of the country?

Mr. WOOLLEY. We are of the opinion that we can get the production of oil in this country much more cheaply than we can through peanuts. We believe that through cottonseed and soybeans and other oilseed crops that we can do it more cheaply than we can through subsidized peanuts for oil. Basically, some of that acreage that is devoted to the production of peanuts for oil we think could be well devoted to the production of feed that would result in a more profitable use of our short land resources at this particular time.

Mr. POAGE. What kind of feed? What do you suggest?

Mr. WOOLLEY. We are not going to look into our crystal ball and suggest what each farmer should grow.

Mr. POAGE. What about that farmer up in the sandy land of central Texas. He cannot grow corn. He cannot grow grain sorghum. What kind of feed would you suggest that he grow?

Mr. WOOLLEY. I am not sure just what he can grow.

Mr. POAGE. Neither is he. That is the trouble.

Mr. WOOLLEY. I am not sufficiently well acquainted with that. All I know is that we do not have enough corn; we do not have enough barley; we do not have enough of all the feed grains, and we do not have enough good pastures. We would like to see all of the pastures that can be profitably improved.

Mr. POAGE. In the Southwest you cannot grow grain on sandy land.

Mr. WOOLLEY. But I know you can grow pasture.

Mr. POAGE. You cannot grow peanuts on anything but sandy land.

Mr. WOOLLEY. You can grow pasture on that land.

Mr. ALBERT. You cannot make a dairy on that.

Mr. POAGE. You have not found a way where you can put that back into pasture in less than 25 years.

Mr. WOOLLEY. I did not realize that it was that long. I know people growing peanuts this year who, because of labor difficulties, are anticipating putting some of their acreage of peanuts into pasture right now.

Mr. POAGE. That is in the rainfall belt; yes. I do not question that in the rainfall belt, but I am talking about where the rainfall drops off to 25 inches.

Mr. WOOLLEY. I am not qualified to discuss that subject with you. I am sure you are acquainted with it much better than I am.

Mr. ALBERT. Will you give us the figures on the percentage of the normal Virginia crop that goes into peanut butter and the percentage that is crushed?

Mr. WOOLLEY. I do not have those figures here. Mr Pritchard, do you have those?

Mr. PRITCHARD. No.

Mr. WOOLLEY. We have talked about those a number of times, as a matter of fact, and we have not been able to get any statistics that you could stand up and prove. We have judgment factors on it. As I recall, something like 15 percent of the Virginia peanuts had been going into oil, or is that a high percentage?

Mr. PRITCHARD. We can supply that for the record.

Mr. WOOLLEY. We will supply it for the record.

(The information referred to is as follows:)

Statistics are not maintained on the quantity of Virginia-type peanuts or of any other type of peanuts used for specific purposes, with the exception of some information on peanuts crushed for oil and meal. The following are the best rough estimates that we are able to make:

The Jumbo and fancy grades of Virginia-type peanuts, representing about 20 percent of all Virginia peanuts, are used for roasting in the shell. The extra large grade of Virginia peanuts, representing about 24 percent of the total, are used as salted peanuts in mixes with other nuts. The medium grade of Virginia peanuts, representing about 19 percent of the total, are used as salted peanuts and in candy and peanut butter. The No. 1 grade, representing about 20 percent of the total, is used as salted peanuts, in candy and peanut butter, and a small portion may be crushed for oil. The No. 2 grade, representing about 13 percent, are crushed into oil and meal. In times of short supply of peanuts, these may be used for salting and in candy and peanut butter. The other kernels, representing about 4 percent, are crushed into oil and meal. In 1949 about 23 percent of milled Virginia-type peanuts were crushed for oil and meal, including exports for crushing.

The CHAIRMAN. That was the figure we were given when we talked about this problem last fall.

Mr. WOOLLEY. As I tried to make clear, that is just our best judgment on the basis of the people in the Fats and Oils Branch who are familiar with peanuts and peanut marketing. It is not based on statistics.

Mr. ALBERT. And it is also your best judgment of the percentage of the Virginia crop that is shelled.

Mr. ABBITT. When you give the total of the shelled, that does not give you anywhere near the total of the No. 1's. There is a vast majority of the shelled that goes into what we call the store trade.

Mr. ALBERT. Let us have the percentage of the Spanish crop that goes into the store trade.

Mr. WOOLLEY. I take it you would like to have the best judgment figure we can get as to the percent that goes into the Ball Park, Fancies, Jumbos, No. 1's, Mediums, and into oil with respect to all types. We will try to give you that information. As I say, though, it is just horseback judgment.

Mr. ALBERT. Unless we have that, we do not have any basis for determining how far a liberalization of this law will enter into the comparative picture. After all, we have taken terrific cuts in acreage.

Mr. WOOLLEY. That is right.

Mr. ALBERT. If we take many more, it will probably end the peanut program in most States.

Mr. WOOLLEY. I recall one figure that we have used, and I think it is about 15 percent of the Virginia-type peanuts that in our judgment are competitive with the peanut butter and other types.

Mr. ALBERT. I recall that figure, although I think it is a much higher percentage than that.

Mr. WOOLLEY. I will have to supply it for the record.

(The information referred to is as follows:)

We estimate that the various types of peanuts are distributed by grade as follows:

Grade	Type			
	Virginia	Runner	Southeast Spanish	Southwest Spanish
Jumbo	8			
Fancy	12			
Extra large	24			
Medium	19			
No. 1	20	77	88	75
No. 2	13	18	7	20
Other kernels	4	5	5	5

The first four grades apply only to Virginia-type peanuts. When the percentages for these grades are added to the percentage for the No. 1 to obtain a percentage comparable to the percentage of No. 1's for the other types, a percentage of 83 is obtained.

As pointed out earlier in the testimony, statistics are not maintained on the quantity of various types of peanuts used for specific purposes, with the exception of some information on peanuts crushed for oil and meal. Using this information, which is not a complete statistical coverage, we estimate that from the 1949 crop the following percents of milled peanuts by types were crushed for oil and meal, including exports for crushing: Virginias, 23 percent; Runners, 66 percent; Southeast Spanish, 32 percent; and Southwest Spanish, 32 percent.

Mr. ABBITT. Is it not a fact that these salted peanuts are not No. 1's at all; that is, the Virginia-type?

Mr. WOOLLEY. That is right.

Mr. ABBITT. And that the only one that would be in direct conflict in the edible would be the Virginia that goes into peanut butter?

Mr. WOOLLEY. That is the main competition, but I would not be prepared to say that there is not any competition between salted peanuts of all types. I think there is some competition between the Spanish salted peanut and the Virginia-type. I think they go to a different trade, but there is a certain amount of competition between them.

Mr. ALBERT. There is a hue and cry over the area that there is a great need for more Virginia edible peanuts.

Mr. WOOLLEY. All I can say is that there is a very insistent demand that we import the Virginia-type peanuts.

Mr. ABBITT. You mean import them from some communistic country?

Mr. WOOLLEY. From some other country; yes.

The CHAIRMAN. We must proceed with the next witness. If I understand it, even though there is some question as to what part of the Virginia crop goes into oil and other competitive channels, most of the representatives from other areas are willing to go along with the provision which seeks to relieve the situation in the Virginia and North Carolina areas as they were last session.

I would like to move on to the next step, and ask Mr. Woolley to call the witness who will discuss other provisions of the bills before us. Will you call Mr. Parks now?

Mr. WOOLLEY. Yes.

The CHAIRMAN. Mr. George A. Parks of the Fats and Oils Branch, United States Department of Agriculture.

Mr. Parks, may I direct your attention to H. R. 2085, which I introduced on January 25, and particularly to section 2 on page 2 which deals with the different types of peanuts.

Mr. PARKS. Yes.

The CHAIRMAN. Look at that provision and tell me whether or not you are in accord with the intent and purpose of the provision.

Mr. PARKS. Our position, Mr. Chairman, is as Mr. Woolley pointed out: That we think there should be some provision for increasing the acreage of Virginia-type peanuts in order to meet the demand for that type of peanuts. When I say "Virginia", I mean Virginia and Valencia-type combined. I think that is what this provision does.

The CHAIRMAN. So you are in accord with the purpose of that provision?

Mr. PARKS. With the purposes of it, yes.

The CHAIRMAN. Do you have any objection to any of the language or the form in which it is drafted?

Mr. PARKS. I would say, as Mr. Woolley did, that the Department prefers some form of legislative procedure instead of the Secretary's determinations on it, but I understand this leaves it up to the Secretary. I think that answers your question.

The CHAIRMAN. You do not object to conferring that authority on the Secretary; do you?

Mr. PARKS. Not if that is the way the Congress wants it; I do not presume that we do.

The CHAIRMAN. Well, I am not asking you what the Congress thinks about it; I am asking what you think about it. Mr. Woolley indicated that he would like to have a formula. He admitted that it would be difficult to draft a formula in contemplation of a lot of unknown factors. How can you improve on that provision, or do you have any suggestions in that regard?

Mr. PARKS. We suggested a bill which would make it automatic and mandatory.

The CHAIRMAN. Then you want to make it mandatory and bring it up to the 1941 acreage?

Mr. PARKS. That is what we suggested.

The CHAIRMAN. This gives him authority to bring it up to the 1947 acreage.

Mr. PARKS. Yes, sir.

The CHAIRMAN. Within his discretion.

Mr. PARKS. That is right.

The CHAIRMAN. You do not object to Congress entrusting the Secretary of Agriculture to exercise his discretion, do you?

Mr. PARKS. We would prefer that it be handled as suggested.

The CHAIRMAN. All right, then, that is all I want.

Mr. ABBITT. Right there for the record, this is the same provision which you are speaking of that is in H. R. 4 and H. R. 40, in the first section?

The CHAIRMAN. That is right, substantially the same thing we passed last session.

We will now proceed to the other provisions. I direct your attention, first, to something about which there might be some question, subsection (f) of the bill, on page 2. I would like for you to give us your views about that section. Some suggestion has been made that this section might be improved.

Mr. PARKS. As Mr. Woolley pointed out, Mr. Chairman, we got a copy of this bill only late yesterday afternoon and we have not had an opportunity to really analyze it, although we have worked out in rough form the approximate allotments which would be determined under it for 1951 and 1952. I have that table here. It is not reproduced, and it is not with the tables that were passed out. I could give you the figures on it if you would like those.

The CHAIRMAN. Do you have the figures?

Mr. PARKS. Yes, sir; I have them. I would have to read them to you.

The CHAIRMAN. All right.

Mr. PARKS. If you would like, you could put them on this table A, part 1, the first table you have. You could probably put them out in the margin, if you would like.

Mr. ALBERT. Are you giving us the base figure for each State for future years?

Mr. PARKS. No, I was going to give the approximate State acreage allotments under 2085 for 1951 and 1952 in the same way that they are given, for instance, for H. R. 9109, Eighty-first Congress. I would give you three columns on it.

The CHAIRMAN. That is for 1951 and 1952?

Mr. PARKS. That is correct.

The CHAIRMAN. What is the third column?

Mr. PARKS. That would be the total, sir. It would be the initial allotment for 1951, then the type increase for 1951, and then the total 1951 allotment.

Mr. ALBERT. That would be the final allotment if we passed this.

Mr. WOOLLEY. Excuse me for interrupting. Mr. Lynn of the Farm Bureau has just advised that they have been able to get these figures mimeographed and that they are attached to the Farm Bureau statement.

Mr. ABBITT. Does that show a comparison of H. R. 2085 and S. 742?

Mr. WOOLLEY. Yes. It is the second attachment, Mr. Lynn says. (The tables referred to are as follows:)

Peanuts: Indicated 1951 State acreage allotment on basis S. 742

State	1945-49 average acreage	1950 acreage allot- ment ¹	2,100,000 acres apportioned basis column 1	Larger column (2) or (3)	1,771,117 acres apportioned basis column 4	1951 al- lotment previ- ously an- nounced	Larger of columns (5) or (6)	Possible type adjust- ments ²	Final 1951 allot- ment
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Virginia.....	154,600	141,108	105,873	141,108	112,869	117,819	117,819	23,289	141,108
North Carolina.....	287,600	225,702	196,955	225,702	180,535	188,451	188,451	37,251	225,702
Tennessee.....	5,400	4,766	3,698	4,766	3,612	3,979	3,979	787	4,766
South Carolina.....	27,200	18,375	18,627	18,627	14,899	15,342	15,342	1,516	16,858
Georgia.....	1,046,600	701,400	716,733	716,733	573,301	585,638	585,638	-----	585,638
Florida.....	96,400	73,236	66,017	73,236	58,580	61,149	61,149	-----	61,149
Alabama.....	444,200	274,907	304,197	304,197	243,321	229,535	243,321	-----	243,321
Mississippi.....	15,400	9,272	10,546	10,546	8,436	7,742	8,436	-----	8,436
Arkansas.....	8,600	5,473	5,889	5,889	4,710	4,570	4,710	-----	4,710
Louisiana.....	4,000	2,506	2,739	2,739	2,192	2,092	2,191	-----	2,191
Oklahoma.....	241,400	183,600	165,316	183,600	146,858	153,298	153,298	-----	153,298
Texas.....	723,600	451,200	495,536	495,536	396,369	376,732	396,369	-----	396,369
New Mexico.....	10,000	5,959	6,848	6,848	5,478	4,975	5,478	-----	5,478
Arizona.....	500	960	342	960	768	801	801	-----	801
California.....	500	1,257	342	1,257	1,005	1,050	1,050	-----	1,050
Missouri.....	500	279	342	342	274	233	274	-----	274
New farms.....	-----	-----	-----	-----	17,711	17,711	17,711	-----	17,711
Total United States.....	3,066,500	2,100,000	2,100,000	2,192,086	1,771,117	1,771,117	1,806,017	62,843	1,868,860

¹ Prior to Public Law 471.² Assume that type adjustments for 1951 to bring acreage of Virginia-type peanuts to 1941 acreage is determined to be desirable.*Peanuts: Indicated State acreage allotments for 1951 on basis H. R. 2085*

State	1950 acre- age allot- ment final	1951 na- tional al- lotment ap- portioned basis, col- umn 1	1951 State allotments already announced	H.R. 2085 first indi- cated 1951 State al- lotments	Increase above 1951 State an- nounced allotments	Possible type ad- justment ¹	Final 1951 allotment
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Virginia.....	141,108	112,454	117,819	117,819	0	23,289	141,108
North Carolina.....	225,702	179,869	188,451	188,451	0	37,251	225,702
Tennessee.....	4,766	3,789	3,979	3,979	0	787	4,766
South Carolina.....	20,459	16,304	15,342	16,304	962	2,071	18,375
Georgia.....	701,400	558,968	585,638	585,638	0	-----	585,638
Florida.....	73,366	58,361	61,149	61,149	0	-----	61,149
Alabama.....	319,373	254,519	229,535	254,519	24,984	-----	254,519
Mississippi.....	11,286	8,994	7,742	8,994	1,252	-----	8,994
Arkansas.....	6,724	5,359	4,570	5,359	789	-----	5,359
Louisiana.....	3,228	2,572	2,092	2,572	480	-----	2,572
Oklahoma.....	183,600	146,317	153,298	153,298	0	-----	153,298
Texas.....	499,873	398,366	376,732	398,366	21,634	-----	398,366
New Mexico.....	6,902	5,500	4,975	5,500	525	-----	5,500
Arizona.....	960	765	801	801	0	-----	801
California.....	1,257	1,002	1,050	1,050	0	-----	1,050
Missouri.....	320	255	233	255	22	-----	255
New farms.....	-----	17,711	17,711	17,711	-----	-----	17,711
Total United States.....	2,200,194	1,771,117	1,771,117	1,821,765	50,648	63,398	1,885,163

¹ Assumed that type adjustment for 1951 to bring acreage of Virginia-type peanuts to 1941 is determined to be desirable.

28 PEANUT ACREAGE ALLOTMENT AND MARKETING QUOTAS

Apportionment of 1952 peanut allotments under various bills (does not include type adjustments)

State	Base under present legislation	Percent of total	Base under H. R. 2085	Percent of total	Base under S. 742	Percent of total
Virginia.....	117,819	6.719	117,819	6.530	117,819	6.588
North Carolina.....	188,451	10.748	188,451	10.446	188,451	10.538
Tennessee.....	3,979	.227	3,979	.221	3,979	.223
South Carolina.....	15,342	.875	16,304	.904	15,342	.858
Georgia.....	585,638	33.400	585,638	32.462	585,638	32.748
Florida.....	61,149	3.487	61,149	3.390	61,149	3.419
Alabama.....	229,535	13.091	254,519	14.108	243,321	13.606
Mississippi.....	7,742	.442	8,994	.498	8,436	.472
Arkansas.....	4,570	.261	5,359	.297	4,710	.263
Louisiana.....	2,092	.119	2,572	.143	2,191	.123
Oklahoma.....	153,298	8.743	153,298	8.497	153,298	8.572
Texas.....	376,732	21.486	398,366	22.082	396,369	22.164
New Mexico.....	4,975	.284	5,500	.305	5,478	.306
Arizona.....	801	.046	801	.044	801	.045
California.....	1,050	.060	1,050	.508	1,050	.59
Missouri.....	233	.013	255	.014	274	.015
Total.....	1,753,406	100.0	1,804,054	100.0	1,788,306	100.0

TABLE I.—Peanuts: Indicated 1951 State acreage allotments under H. R. 9109, assuming an initial national allotment of 1,771,117 acres

State and area	1945-49 straight average acreage ³	1950 acreage allotment prior to Public Law 471	1,771,117 acres apportioned		First indi- cated 1951 acreage al- lotment ¹	Initial increase through proposed legislation (column 5— column 4)	Possible ad- ditional ma- jor increase for types through pro- posed legis- lation ²	Second indi- cated 1951 acreage al- lotment
			Basis col- umn 1	Basis col- umn 2				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Virginia.....	Acres 154,600	Acres 141,108	Acres 88,399	Acres 117,819	Acres 117,819	Acres 117,819	Acres 23,289	Acres 141,108
North Carolina.....	287,600	225,702	164,418	188,451	188,451	188,451	37,251	225,702
Tennessee.....	5,400	4,766	3,088	3,979	3,979	3,979	787	4,766
Total Virginia-Carolina area.....	447,600	371,576	255,835	310,249	310,249	310,249	61,327	371,576
South Carolina.....	27,200	18,375	15,553	15,342	15,553	15,553	2,822	18,375
Georgia.....	1,046,600	701,400	598,439	685,638	598,439	598,439	12,801	598,439
Florida.....	96,400	73,236	55,121	61,149	61,149	61,149	—	61,149
Alabama.....	444,200	274,907	253,991	229,335	253,991	24,456	—	253,991
Mississippi.....	15,400	9,272	8,806	7,742	8,806	1,064	—	8,806
Total southeast area.....	1,629,800	1,077,190	931,910	899,406	937,938	38,532	2,822	940,760
Arkansas.....	8,600	5,473	4,917	4,570	4,917	4,917	—	4,917
Louisiana.....	4,000	2,306	2,287	2,092	2,287	347	—	2,287
Oklahoma.....	241,400	183,000	138,031	153,298	153,298	105	—	153,298
Texas.....	723,600	451,200	413,750	376,732	413,750	37,018	—	413,750
New Mexico.....	10,000	5,959	5,718	4,975	5,718	743	—	5,718
Total southwest area.....	987,600	648,738	564,703	541,667	579,970	38,303	—	579,970
Arizona.....	500	960	286	801	801	—	—	801
California.....	500	1,237	286	1,050	1,050	—	—	1,050
Missouri.....	500	279	286	233	286	53	—	286
Total others.....	1,500	2,496	558	2,084	2,137	53	—	2,137
Acres reserved for new farms.....	—	—	17,711	17,711	17,711	—	—	17,711
Total United States.....	3,006,500	2,100,000	1,771,117	1,771,117	1,848,005	70,888	64,149	1,912,154

¹ Larger of entries in column 3 or column 4, excluding possible increases for Virginia-type producing areas.

² Differences between column 5 and 1950 allotment for major Virginia-type producing States.

³ Basis revised acreage data contained in Crop Report released July 11, 1950.

Source: Fats and Oils Branch, PMA, Program Analysis Division.

TABLE II.—Peanuts: Indicated 1951 State acreage allotments under legislation recommended by the Department of Agriculture assuming an initial national allotment of 1,771,117 acres

State and area	1945-49 straight av- erage acre- age 1	1950 acreage allotment prior to Pub- lic Law 471	2,100,000 acres appor- tioned on basis of 1945- 49 average acreage	Larger of col- umns (2) or (3)	First indi- cated 1951 acreage allot- ment 2	1951 acreage allotment announced Oct. 26, 1950	Second indi- cated 1951 al- lotment 3	1941 acreage allotment	Possible ad- ditional in- creases for types through proposed leg- islation 4	Third indi- cated 1951 acreage al- lotment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Virginia.....	<i>Acres</i> 154,600	<i>Acres</i> 141,108	<i>Acres</i> 105,873	<i>Acres</i> 141,108	<i>Acres</i> 112,869	<i>Acres</i> 117,819	<i>Acres</i> 117,819	<i>Acres</i> 141,108	<i>Acres</i> 23,289	<i>Acres</i> 141,108
North Carolina.....	287,600	225,702	196,955	225,702	180,535	188,451	188,451	225,702	37,251	225,702
Tennessee.....	5,400	4,766	3,698	4,766	3,812	3,979	3,979	4,766	37,787	4,766
Total Virginia-Carolina area.....	447,600	371,576	306,526	371,576	297,216	310,249	310,249	371,576	61,327	371,576
South Carolina.....	27,200	18,375	18,627	18,627	14,899	15,342	15,342	18,375	1,516	16,858
Georgia.....	1,046,600	701,400	716,733	716,733	573,301	585,638	585,638	550,694	585,638	585,638
Florida.....	96,400	73,236	66,017	73,236	58,580	61,149	61,149	73,236	61,149	61,149
Alabama.....	444,200	274,907	304,197	304,197	243,321	229,535	243,321	274,907	243,321	243,321
Mississippi.....	15,400	9,272	10,546	10,546	8,436	7,742	8,436	2,476	8,436	8,436
Total southeast area.....	1,629,800	1,077,190	1,116,120	1,123,339	898,537	899,406	913,886	919,688	1,516	915,402
Arkansas.....	8,600	5,473	5,889	5,889	4,710	4,570	4,710	5,473	4,710	4,710
Louisiana.....	4,000	2,506	2,739	2,739	2,191	2,092	2,191	353	2,191	2,191
Oklahoma.....	241,400	183,600	165,316	183,600	146,858	153,298	153,298	61,607	153,298	153,298
Texas.....	723,600	451,200	495,530	495,536	396,359	376,732	396,369	246,373	396,369	396,369
New Mexico.....	10,000	5,959	6,848	6,848	5,478	4,975	5,478	3,673	5,478	5,478
Total southwest area.....	987,600	648,738	676,328	694,612	555,606	541,667	562,046	317,479	562,046	562,046
Arizona.....	500	900	342	960	768	801	801	1,257	801	801
California.....	500	1,257	342	1,257	1,095	1,050	1,050	1,257	1,050	1,050
Missouri.....	500	279	342	342	274	233	274	274	274	274
Total others.....	1,500	2,496	1,026	2,559	2,047	2,084	2,125	1,257	2,125	2,125
Acreage reserved for new farms.....					17,711	17,711	17,711			17,711
Total United States.....	3,066,500	2,100,000	2,100,000	2,192,086	1,771,117	1,771,117	1,806,017	1,610,000	62,843	1,868,860

1 Basis revised acreage data contained in Crop Report released July 11, 1950.

2 Column 4 reduced proportionately to a United States total of 1,771,117 acres, with acreage reserved for new farms of 17,711 acres.

3 Larger of column 5 or column 6.

4 Preliminary.

Source: Fats and Oils Branch, PMA, Program Analysis Division.

TABLE III.—Peanuts: Preliminary approximation of distribution of acres added on for Virginia and Valencia types in 1951 under the legislation recommended by the American Farm Bureau Federation ¹

States producing Virginia and Valencia types of peanuts	Total 1948 acreage picked and threshed (1)	Total 1949 acreage picked and threshed (2)	Total 1950 acreage picked and threshed ² (3)	1948-50 ave- rage acres (4)	Estimated per- centage of total acres in 1948-50 picked and threshed which were Virginia and Valencia types (5)	Estimated 1948-50 average acreage of Virginia and Valencia types picked and threshed (6)	Approximate 1951 acreage increase under Farm Bureau proposal ³ (7)	Approximate 1951 acreage increase under Department proposal (8)
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Percent</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Virginia.....	164,000	138,000	150,000	150,667	99	149,160	22,268	23,289
North Carolina.....	295,000	236,000	284,000	255,000	99	252,450	37,680	37,251
South Carolina.....	26,000	22,000	218,916	22,305	50	11,152	1,665	1,516
Tennessee.....	5,000	5,000	5,000	5,000	90	4,500	1,672	1,787
New Mexico.....	9,000	7,000	26,057	7,352	50	3,676	549	-----
Total.....	499,000	408,000	413,973	440,324	-----	420,938	62,843	62,843

¹ This table is preliminary and subject to revision.² Excluding 1950 acreage increase in allotment under Public Law 471.³ For ease of comparison with the proposal of the Department of Agriculture, it has been assumed that 62,843 additional acres of Virginia and Valencia type peanuts will be required in 1951 over presently announced allotments to meet the demand for these types.

NOTE.—A few other States produce comparatively small quantities of Virginia and Valencia types. Under the Farm Bureau proposal, consideration would be given to these States in the final determination of the distribution of acres to be added. The acreage going to such States would be reflected in reductions for the 5 States listed. Since less than 10 percent of the production in these States is of the Virginia and Valencia types, no acres would be added under the proposal of the Department of Agriculture. New Mexico would not receive an increase under the Department proposal since the State acreage allotment exceeds the 1941 allotment.

Source: Fats and Oils Branch, PMA, Program Analysis Division.

TABLE IV.—Peanuts: Indicated 1951 acreage allotments under legislation recommended by the American Farm Bureau Federation assuming an initial national allotment of 1,771,117 acres

State and area	1945-49 straight average acreage ¹	1950 acreage allotment prior to Public Law 471	2,100,000 acres apportioned on basis of 1945-49 average acreage	Lower of columns (2) or (3)	First indicated 1951 acreage allotment ²	1951 acreage allotment announced Oct. 26, 1950	Second indicated 1951 allotment ³	1947 acreage picked and threshed ⁴	Approximate increase for types through proposed legislation ⁵	Third indicated 1951 acreage allotment ⁶
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Acrea	Acrea	Acrea	Acrea	Acrea	Acrea	Acrea	Acrea	Acrea	Acrea
Virginia.....	154,600	141,108	105,873	14,108	112,869	117,819	117,819	162,000	22,208	140,087
North Carolina.....	287,600	225,702	196,955	225,702	180,335	188,451	188,451	202,000	37,689	226,140
Tennessee.....	5,400	4,766	3,698	4,766	3,812	3,979	3,979	5,000	672	4,651
Total Virginia-Carolina area.....	447,600	371,576	306,526	371,576	297,216	310,249	310,249	450,000	60,629	370,878
South Carolina.....	27,200	18,375	18,627	18,627	14,899	15,342	15,342	26,000	1,665	17,007
Georgia.....	1,046,600	701,400	716,733	716,733	573,301	585,638	585,638	1,124,000	585,638	585,638
Florida.....	96,400	73,236	66,017	73,236	38,580	61,153	61,153	61,153	---	61,149
Alabama.....	444,200	274,907	304,197	304,197	243,321	229,555	243,321	467,000	---	243,321
Mississippi.....	15,400	9,272	10,546	10,546	8,456	7,742	8,456	15,000	---	8,456
Total southeast area.....	1,629,800	1,077,190	1,116,120	1,123,339	898,537	899,406	913,886	1,733,000	1,665	915,551
Arkansas.....	8,600	5,473	5,889	5,889	4,710	4,570	4,710	8,000	---	4,710
Louisiana.....	4,000	2,739	2,739	2,739	2,101	2,092	2,101	5,000	---	2,101
Oklahoma.....	214,000	183,600	165,315	183,600	146,858	153,298	153,298	325,000	---	153,298
Texas.....	723,600	451,240	405,526	493,536	396,369	376,732	396,369	836,000	---	396,369
New Mexico.....	10,000	5,959	6,848	6,848	5,478	4,975	5,478	14,000	549	6,027
Total southwest area.....	987,600	648,738	676,328	694,612	555,606	541,667	562,046	1,188,000	549	562,595
Arizona.....	500	960	342	960	768	801	801	500	---	801
California.....	500	1,257	342	1,257	1,005	1,050	1,050	500	---	1,050
Missouri.....	500	279	342	342	274	233	274	500	---	274
Total others.....	1,500	2,496	1,026	2,559	2,047	2,084	2,125	1,500	---	2,125
Acreage reserved for new farms.....	---	---	---	---	17,711	17,711	17,711	---	---	17,711
Total United States.....	3,066,500	2,100,000	2,100,000	2,192,086	1,771,117	1,771,117	1,806,017	3,381,500	62,843	1,868,860

¹ Basis revised acreage data contained in Crop Report released July 11, 1950.² Column 4 reduced proportionately to a United States total of 1,771,117 acres, with acreage reserved for new farms of 17,711 acres.³ Larger of column 5 or column 6.⁴ Source: Fats and Oils Branch, PMA, Program Analysis Division.⁵ Maximum acreage to which any State may be increased under proposed legislation.⁶ Approximate and preliminary. For ease of comparison the increase of 62,843 acres is the same as assumed would be added by the proposal of the Department of Agriculture.

TABLE A.—*Peanuts: Comparison of indicated 1951 acreage allotments under present legislation, H. R. 9109, 81st Cong., H. R. 40, the Farm Bureau proposal and the Department of Agriculture proposal*¹

State and area	Present legislation			Initial allotment		Type increase		Total	
	Acres (1)	Percent of total (2)	Acres (3)	Percent of total (4)	Acres (5)	Percent of total (6)	Acres (7)	Percent of total (8)	
Virginia.....	117,819	6.65	117,819	6.38	23,289	36.30	141,108	7.38	
North Carolina.....	188,451	10.64	188,451	10.20	37,251	58.07	225,702	11.80	
Tennessee.....	3,979	.23	3,979	.21	787	1.23	4,766	.25	
Total, Virginia-Carolina area.....	310,249	17.52	310,249	16.79	61,327	95.60	371,576	19.43	
South Carolina.....	15,342	.87	15,553	.84			18,375	.96	
Georgia.....	585,638	33.07	598,439	32.38	2,822	4.40	598,439	31.29	
Florida.....	61,149	3.45	61,149	3.31			61,149	3.20	
Alabama.....	290,535	12.96	253,991	13.74			253,991	13.28	
Mississippi.....	7,742	.43	8,806	.48			8,806	.46	
Total, southeast area.....	899,405	50.78	937,938	50.75	2,822	4.40	940,760	49.19	
Arkansas.....	4,570	.26	4,917	.27			4,917	.26	
Louisiana.....	2,092	.12	2,287	.12			2,287	.12	
Oklahoma.....	153,298	8.65	153,298	8.20			153,298	8.02	
Texas.....	376,732	21.27	413,750	22.39			413,750	21.63	
New Mexico.....	4,975	.28	5,718	.31			5,718	.30	
Total, southwest area.....	541,667	30.58	579,970	31.38			579,970	30.33	
Arizona.....	801	.05	801	.04			801	.04	
California.....	1,050	.06	1,050	.06			1,050	.06	
Missouri.....	233	.01	286	.02			286	.01	
Total, others.....	2,084	.12	2,137	.12			2,137	.11	
Acreage reserved for new farms.....	17,711	1.00	17,711	.96			17,711	.94	
Total, United States.....	1,771,117	100.00	1,848,005	100.00	64,149	100.00	1,912,154	100.00	

¹ All "type" increases and figures affected by such increases are preliminary and subject to change.

TABLE A.—*Peanuts: Comparison of indicated 1951 acreage allotments under present legislation, H. R. 9109, 81st Cong., H. R. 40, the Farm Bureau proposal and the Department of Agriculture proposal*¹—Continued

State and area	H. R. 40 and Farm Bureau proposal *					Department of Agriculture proposal						
	Initial allotment		Type increase		Total	Initial allotment		Type increase		Total		
	Aeres (9)	Percent of Total (10)	Aeres (11)	Percent of Total (12)		Aeres (13)	Percent of Total (14)	Aeres (15)	Percent of Total (16)		Aeres (17)	Percent of Total (18)
Virginia-----	117,819	6.52	22,268	35.43	140,087	7.50	117,819	6.52	23,289	37.06	141,108	7.55
North Carolina-----	188,451	10.44	37,689	59.98	226,140	12.10	188,451	10.44	37,251	59.28	225,702	12.08
Tennessee-----	3,979	.22	6,672	1.07	4,651	.25	3,979	.22	787	1.25	4,766	.26
Total Virginia-Carolina area-----	310,249	17.18	60,629	96.48	370,878	19.85	310,249	17.18	61,327	97.59	371,576	19.89
South Carolina-----	15,342	.85	1,665	2.65	17,007	91	15,342	.85	1,516	2.41	16,858	.90
Georgia-----	585,638	32.43	585,638	31.34	1,171,276	31.34	585,638	32.43	585,638	31.34	1,171,276	31.34
Florida-----	61,149	3.38	61,149	3.27	122,298	3.27	61,149	3.38	61,149	3.27	122,298	3.27
Alabama-----	243,321	13.47	243,321	13.02	486,642	13.02	243,321	13.47	243,321	13.02	486,642	13.02
Mississippi-----	8,436	.47	8,436	.45	16,872	.45	8,436	.47	8,436	.45	16,872	.45
Total southeast area-----	913,886	50.60	1,665	2.65	915,551	43.99	913,886	50.60	1,516	2.41	915,402	48.98
Arkansas-----	4,710	.26	4,710	.25	9,420	.25	4,710	.26	4,710	.25	9,420	.25
Louisiana-----	2,191	.12	2,191	.12	4,382	.12	2,191	.12	2,191	.12	4,382	.12
Oklahoma-----	153,298	8.49	153,298	8.20	306,596	8.20	153,298	8.49	153,298	8.20	306,596	8.20
Texas-----	396,369	21.95	396,369	21.21	792,738	21.21	396,369	21.95	396,369	21.21	792,738	21.21
New Mexico-----	5,478	.30	5,478	.87	10,956	.32	5,478	.30	5,478	.29	10,956	.29
Total southwest area-----	562,046	31.12	549	.87	562,595	30.10	562,046	31.12	562,046	30.07	562,046	30.07
Arizona-----	801	.04	801	.04	1,602	.04	801	.04	801	.04	1,602	.04
California-----	1,050	.06	1,050	.06	2,100	.06	1,050	.06	1,050	.06	2,100	.06
Missouri-----	274	.02	274	.01	548	.01	274	.02	274	.01	548	.01
Total others-----	2,125	.12	2,125	.11	4,250	.11	2,125	.12	2,125	.11	4,250	.11
Acreage reserved for new farms-----	17,711	.98	17,711	.95	35,422	.95	17,711	.98	17,711	.95	35,422	.95
Total United States-----	1,806,017	100.00	62,843	100.00	1,868,860	100.00	1,806,017	100.00	62,843	100.00	1,868,860	100.00

¹ All "type" increases and figures affected by such increases are preliminary and subject to change.² For purposes of this presentation it is assumed that State acreage allotments for 1951 under H. R. 40 would be the same as the Farm Bureau proposal although H. R. 40 provides for apportionment of "type" increases on the basis of 1948-50 "average production," whereas the Farm Bureau proposal provides for apportionment on the basis of 1948-50 "average acreage."

Source: Fats and Oils Branch, PMA, Program Analysis Division.

TABLE B.—Peanuts: Comparison of indicated 1952 acreage allotments under present legislation, H. R. 9109, 81st Cong., H. R. 40, the Farm Bureau proposal and the Department of Agriculture proposal assuming the same national allotment in 1952 as determined for 1951¹

State and area	Present legislation			H. R. 9109						Farm Bureau proposal					
	Initial allotment		Percent of total	Type increase		Total				Initial allotment		Type increase		Total	
	Acres	Percent of total		Acres	Percent of total	Acres	Percent of total	Acres	Percent of total	Acres	Percent of total	Acres	Percent of total	Acres	Percent of total
Virginia.....	117,819	6.65	17.52	310,249	16.79	310,249	16.79	117,819	6.38	23,289	36.30	23,289	36.30	141,108	7.38
North Carolina.....	188,451	10.64	10.64	188,451	10.20	188,451	10.20	188,451	11.80	184,773	10.44	41,564	59.97	226,337	12.30
Tennessee.....	3,979	.23	.23	3,979	.21	3,979	.21	3,979	.25	3,901	.22	741	1.07	4,642	.25
Total Virginia-Carolina area.....	310,249	17.52		310,249	16.79	310,249	16.79	310,249	19.43	304,194	17.18	66,863	96.48	371,057	20.16
South Carolina.....	15,342	.87		15,553	.84	18,375	.96	15,043	.85	15,043	.85	1,835	2.65	16,879	.92
Georgia.....	585,638	33.07		598,439	32.38	598,439	31.29	574,209	32.42	574,209	32.42	---	---	574,209	3.20
Florida.....	61,149	3.45		61,149	3.31	61,149	3.20	59,956	3.38	59,956	3.38	---	---	59,956	3.26
Alabama.....	229,535	12.96		253,991	13.74	253,991	13.28	238,572	13.47	238,572	13.47	---	---	238,572	12.95
Mississippi.....	7,742	.43		8,806	.48	8,806	.46	8,271	.47	8,271	.47	---	---	8,271	.45
Total southeast area.....	899,406	50.78		937,938	50.75	940,760	49.19	896,051	50.59	896,051	50.59	1,835	2.65	897,887	48.79
Arkansas.....	4,570	.26		4,917	.27	4,917	.26	4,618	.26	4,618	.26	---	---	7,618	.25
Louisiana.....	2,092	.12		2,287	.12	2,287	.12	2,148	.12	2,148	.12	---	---	2,148	.12
Oklahoma.....	153,298	8.65		153,298	8.29	153,298	8.02	150,306	8.49	150,306	8.49	---	---	150,306	8.17
Texas.....	376,732	21.27		413,750	22.39	413,750	21.63	388,634	21.94	388,634	21.94	---	---	388,634	21.12
New Mexico.....	4,975	.28		5,718	.31	5,718	.30	5,731	.30	5,731	.30	605	.87	5,976	.32
Total southwest area.....	541,667	30.58		579,970	31.38	579,970	30.33	551,077	31.11	551,077	31.11	605	.87	551,682	29.98
Arizona.....	801	.05		801	.04	801	.04	785	.05	785	.05	---	---	785	.04
California.....	1,050	.06		1,050	.06	1,050	.06	1,030	.06	1,030	.06	---	---	1,030	.06
Missouri.....	233	.01		286	.02	286	.01	269	.01	269	.01	---	---	269	.01
Total others.....	2,084	.12		2,137	.12	2,137	.11	2,084	.12	2,084	.12	---	---	2,084	.11
Average reserved for new farms.....	17,711	1.00		17,711	.96	17,711	.94	17,711	1.00	17,711	1.00	---	---	17,711	.96
Total United States.....	1,771,117	100.00		1,848,005	100.00	1,942,154	100.00	1,771,117	100.00	1,771,117	100.00	69,304	100.00	1,840,421	100.00

¹ All "type" increases and figures affected by such increases are preliminary and subject to change.

TABLE B.—*Peanuts: Comparison of indicated 1952 acreage allotments under present legislation, H. R. 9109, 81st Cong., H. R. 40, the Farm Bureau proposal and the Department of Agriculture proposal assuming the same national allotment in 1952 as determined for 1951*—Con.

State and area	Department of Agriculture proposal						
	H. R. 40		Initial allotment		Type increase		Total
	Acres (15)	Percent of total (16)	Acres (17)	Percent of total (18)	Acres (19)	Percent of total (20)	
Virginia.....	117,819	6.65	112,869	6.37	28,239	37.11	141,108
North Carolina.....	188,451	10.64	180,535	10.19	45,167	59.35	235,702
Tennessee.....	3,979	.23	3,812	.22	954	1.25	4,766
Total Virginia-Carolina area.....	310,249	17.52	297,216	16.78	74,360	97.71	371,576
South Carolina.....	15,342	.87	14,899	.84	1,738	2.29	16,637
Georgia.....	685,638	33.97	573,301	32.37	—	—	573,301
Florida.....	61,149	3.45	58,580	3.31	—	—	58,580
Alabama.....	229,535	12.96	243,321	13.74	—	—	243,321
Mississippi.....	7,742	.43	8,436	.47	—	—	8,436
Total southeast area.....	899,406	50.78	898,537	50.73	1,738	2.29	900,275
Arkansas.....	4,570	.26	4,710	.27	—	—	4,710
Louisiana.....	2,092	.12	2,191	.12	—	—	2,191
Oklahoma.....	153,298	8.65	146,838	8.29	—	—	146,838
Texas.....	376,732	21.27	396,369	22.38	—	—	396,369
New Mexico.....	4,975	.28	5,478	.31	—	—	5,478
Total southwest area.....	541,667	30.58	555,606	31.37	—	—	555,606
Arizona.....	801	.05	768	.04	—	—	768
California.....	1,080	.06	1,005	.06	—	—	1,005
Missouri.....	233	.01	274	.02	—	—	274
Total others.....	2,084	.12	2,047	.12	—	—	2,047
Acreage reserved for new farms.....	17,711	1.00	17,711	1.00	—	—	17,711
Total United States.....	1,771,117	100.00	1,771,117	100.00	76,098	100.00	1,847,215
							100.00

¹ All "type" increases and figures affected by such increases are preliminary and subject to change.
Source: Fats and Oils Branch, FMA, Program Analysis Division.

The CHAIRMAN. Mr. Parks, are those figures on this statement and do they correspond with your figures?

Mr. PARKS. I will have to check here. Yes, these check with mine, sir; except for some differences with respect to increases for Virginia and Valencia types in 1951.

Mr. ALBERT. Those figures in column 6 are the maximum acreage that could be given to the Virginia type under this bill; is that right?

Mr. PARKS. No, sir; not under this bill.

Mr. ALBERT. It reads, "possible type."

Mr. PARKS. As I understand it, this bill would allow you to go to the 1947 acreage.

The CHAIRMAN. This is only up to 1941; is it not?

Mr. PARKS. Yes, sir; I believe this would get them about to 1941.

Mr. WOOLLEY. With respect to the adjustment in column 6, is that not actually an adjustment paralleling the adjustment that we made on the assumption that for a case of comparison at this time, all adjustments for type should be at about the same levels although some proposals would permit much higher increases than others.

Mr. ALBERT. It reads, "possible type adjustment" and the possible adjustment would be the 1947 acreage.

The CHAIRMAN. This would only take it up to the 1941. Under the bill it could go up to 1947.

Mr. PARKS. Our figures vary a little from this, in this instance. We handled it just a little differently. As you say, that is not the maximum increase that would be brought about. Each of those States could be increased not to exceed the 1947 acreage picked and threshed in such States.

The CHAIRMAN. I do not suppose we are particularly concerned about that. Are you—as to whether we go to 1947 or 1941? I am concerned as to other provisions of this bill about which there might be some controversy.

At a conference we had here with all of the members interested in peanuts, particularly, we tentatively agreed upon two objectives: First, to relieve the situation in the Virginia-Carolina area; second, to correct what we considered to be an inequity in the southeastern areas, particularly affecting Alabama and Texas. As a result of the law passed in 1941, these two States, Alabama and Texas, felt that they had been treated inequitably, and in 1950 we passed a bill which corrected that inequity to their satisfaction. It was effective only for the year 1950. Now we are coming to 1951, and these zealous and capable Congressmen from those two States are still insisting that once we recognized the inequity it should be incumbent upon us to continually recognize it and to cut them in their areas from the 1950 base rather than from some former year.

If I understand it, the inequity resulted because of the change in the law and a provision which was put in the 1940 act to take care of a particular situation peculiar to Oklahoma.

What we tried to do in this draft was to leave Alabama and Texas in exactly the same position with other States. They said they were perfectly willing to accept a cut in acreage if it were uniform across the other areas, but they did not feel that they should take any more drastic cut than Georgia or Mississippi or any other State.

Does this bill which we have before us accomplish the two objectives I mentioned? I assume it does accomplish the objective in the Vir-

ginia-Carolina area, because you said you were in accord with the provision dealing with that situation.

Mr. PARKS. Yes.

The CHAIRMAN. When it comes to taking care of Mr. Grant and Mr. Poage and their peanut growers, do you have any comments to make on the provision dealing with that?

Mr. ALBERT. Column 5 shows it.

Mr. PARKS. I hardly know how to comment, because we have not checked States individually to see just exactly what will happen.

The CHAIRMAN. Tell us about the area. Does it leave Texas and Oklahoma and Alabama in the same relationship to the other States, or are we giving them any favored treatment?

Mr. PARKS. I would prefer to give you these figures in total for 1951, the State allotments, approximately, as we have them on this table.

Mr. POAGE. Do you have a table there that will show the percentage cut in each State that it is taking from the 5-year average?

Mr. PARKS. I do not have it in that way.

Mr. POAGE. Can you give us that? That, it seems to me, will show exactly what we are talking about and will show what seems to me to be an injustice. If you can show us that Texas has not taken any more cut in the last 5 years than other States have taken, why, we have nothing further to say. We know that we all have to take a cut. We are willing to take our part of the cut. We do not have a table here to show it, but I think if you can supply us with the table that shows what each State has taken in the way of a cut on the 5-year average, you will find that Texas and Alabama have taken a cut different for other States.

Mr. WOOLLEY. I think that the apportionment of the 1952 acreage allotment, as is set forth statistically attached to the Farm Bureau statement, gives you a comparison between 2085 and 1742.

Mr. POAGE. That is not the comparison I wanted. I want the comparison between what we have been growing for the last 5 years and what we are going to be allowed to grow. We will take just as much of a cut as everybody else takes.

Mr. WOOLLEY. You do have a table worked out which shows the 5-year average; that is, by States.

Mr. POAGE. Here is the 5-year average. I know what the 5-year average is on Texas.

Mr. WOOLLEY. That sets it up by States.

Mr. PARKS. I do not believe we have exactly what you are asking for. You are asking for the percentage that each of these bills would give Texas in relation to the 5-year average?

Mr. POAGE. I am asking you for the percentage cut, that is all.

Mr. WOOLLEY. From the 5-year average?

Mr. POAGE. That is right.

Mr. WOOLLEY. That is not on the table.

Mr. POAGE. I know it is not. I asked if he had that. We can calculate it out for each State, but it takes some time and I just asked if he had that.

Mr. PARKS. No, sir; we do not have it on these tables.

Mr. ALBERT. H. R. 2085 contemplates an additional 100,000 acres that will allow adjustment for the Virginia type and it will allow in excess of 20,000 acres each to Texas and Alabama. I think they are entitled to that. Would that not just about clear this whole thing up?

Mr. WOOLLEY. Mr. Albert, if I might comment on that particular point, one of the difficulties, as you know, is that you passed in the House H. R. 9109 and the Senate refused to pass that legislation.

Mr. ALBERT. That is right.

Mr. WOOLLEY. I am not attempting to speak for them, I am just trying to get on with this discussion, but as I understand their position, they did not want to increase the runner-type peanut, but wanted to increase only the production of the types of peanuts that were in short supply, and that was the basis for their objection to H. R. 9109.

Mr. ALBERT. I know that, but I think we ought to work it out on an equitable basis. It looks to me like H. R. 2085 takes care of both of these problems.

The CHAIRMAN. Is it not a fact that under H. R. 2085, according to the Farm Bureau figures, and I think according to your figures, Texas would come out with 398,366 acres, Alabama with 254,519 acres, and that would be their pro rata part of a 5-year average? If that is true, why is it not proper for us to pass this bill, H. R. 2085, and give them their fair share of the 5-year average?

I realize that it will leave Mr. Albert in a bad situation.

Mr. ALBERT. It will give us a smaller percentage of the national allotment in future years.

The CHAIRMAN. You are willing to go along with it?

Mr. ALBERT. Yes, sir.

Mr. ABBITT. It seems to me that one thing this bill does is that it freezes the 1951 allotment.

Mr. ALBERT. That is all right; that is true. But of all of the people that want a frozen allotment, it is the Virginia-North Carolina growers. They wanted it in 1941 and then in 1947.

The CHAIRMAN. What he is talking about is the language I referred to a moment ago, the paragraph on page 2 which reads as follows:

For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

That is the language we need to clarify or to improve so as to keep a State in the business and not out of business. We can put a moving 5-year average in there, or something like that. Would not that be all right?

Mr. WOOLLEY. Basically, you would be doing for peanuts what you do for every other commodity, if you used a moving average figure. Fundamentally, I think that that would serve the purposes of the farmers and of the Congress and of the Department of Agriculture and everybody else connected with this problem. I think a 5-year moving average—or some other number of years—properly conceived would probably get us in less difficulty in the long run—

Mr. ALBERT. I want to be heard on that, before you go into that.

The CHAIRMAN. I said, if we do that, that would be fair to every other section except yours.

Mr. ALBERT. The reason it will not be fair is that we have been under allotments during all of this period. Oklahoma was in the peanut business in a big way when the allotments were started, but we were cut down nearly 50 percent in 1 year. How are you going to say that the historical average is the right thing when you have

planted just what you have been allowed to plant and not what you are prepared to plant, not what you would like to plant, not what you could have planted in a free economy?

Mr. WOOLLEY. I had not finished what I was going to say which was that there is only one State that I know of that would require any adjustment in that, but whenever you freeze to a single year, Mr. Albert, I think that what you are going to find is that developments over the years will make that freeze become less and less satisfactory.

Mr. ALBERT. It was the 1941 program that started frozen acreage.

Mr. WOOLLEY. We had some difficulty with that. I think that every piece of legislation that we have had on the books since 1933 where we had a base tied down has caused difficulty.

Mr. ALBERT. Would it be all right to put it like this, that provided within any period, during which allotments are not in effect, the historical average would be used? If you take allotments off and farmers are allowed to plant what they can plant and what they want to plant, then, if you have a running period of a free economy, a historical base would be fair. But if you are going to start out here with everybody pinned down to a prewar economy, I do not believe it will be fair.

The CHAIRMAN. That is the reason I brought it up. I think that the 5-year average of the acres harvested would be fair to everybody except you.

Mr. ALBERT. How could it be fair to everybody else?

The CHAIRMAN. They are satisfied with it, because it is the 5-year average of the harvested acreage. The situation in Alabama is that they were decreasing acreage at a time when others were increasing. This whole trouble came about on account of your friends' efforts to help you in the 1949 bill, and now we are right where we have to put an Oklahoma gadget in here which will permit the Secretary to adjust acreage up so as to bring about uniformity among the other States. If we do that, would not that take care of it?

Mr. WOOLLEY. In our judgment a moving average base will get you in less difficulty if it is properly set in the first instance than any other device I know of.

The CHAIRMAN. Mr. Poage just made a suggestion that the 5-year average should be used but in no event less than the 1950 acreage.

Mr. WOOLLEY. Not in 1950. You did not mean 1950, did you?

The CHAIRMAN. Yes.

Mr. ALBERT. That would not take care of that, because we are still under allotments.

Mr. POAGE. But for your base, you could not be cut lower than the 1950 final? It covers the actual base. Everybody will be cut to their 5-year average, but for the first 4 years in no event would it let you go below the 1950 base.

The CHAIRMAN. It is the harvested acreage.

Mr. ALBERT. They still have the 1950 base.

Mr. ABBITT. Why do you not say the 1950 allotment harvested?

Mr. POAGE. That is right. Why not say the harvested acreage for your 5-year average, but in no event to be less than the harvested acres in 1950?

The CHAIRMAN. That fixes it.

Mr. ABBITT. So far as that is concerned.

Mr. ALBERT. It does not for me. I do not know what it is.

The CHAIRMAN. The consequence is that you cannot be cut below the 1950 harvested acreage.

Mr. ALBERT. In all of these cases, the harvested acreage is less than the allotment.

Mr. POAGE. We could put everybody on harvested acreage, not only Oklahoma but those that are under the 5-year average. They are not to be on the 5-year average allotment, but on the 5-year average harvested.

Mr. ALBERT. I would like to ask what would be wrong with this: What is going to be the difference if we take care of Virginia and Texas and Alabama as this bill contemplates so long as we are under an allotment program?

If I am in favor of adding this acreage in for Texas and Alabama as part of the permanent base and giving this gadget to Virginia and North Carolina, as long as we are under allotments, it will not make a bit of difference what, as long as we are under allotments. If we go out from under allotments, then it will make a difference.

Mr. POAGE. There is a good probability that we will go out from under allotments, I think.

Mr. ABBITT. Here is the position that these boys have, as I understand it: Under this bill, H. R. 2085, if we follow that through, rather than S. 472, you will wind up with Alabama and Texas carrying a larger percentage of allotments of the allotment that they should have.

Mr. ALBERT. But Virginia and North Carolina will have a larger percentage?

Mr. ABBITT. No; we will have just the same allotment we have now except if we are in short supply we can depend upon the mercy of the Secretary, as I understand it.

Mr. POAGE. That gives you a larger percentage.

Mr. ABBITT. Providing you get it.

Mr. ALBERT. You know you will get it.

Mr. ABBITT. Before we pass on that, we ought to hear from these boys.

Mr. POAGE. Unless you can use it, what use is there in passing the bill which means you will have a larger share of the national allotment?

The CHAIRMAN. The only question I brought up was with reference to that particular part of it.

Mr. ALBERT. I would like to study that. I have seen these figures thrown around here, and then come up with something different. I want to know.

The CHAIRMAN. We pointed out a moment ago that it shall be a 5-year moving average based on the harvested acreage but that in no event shall any State be cut below its 1950 harvested acreage.

Mr. ALBERT. That may be all right, except I want to see what the harvested acreage for each State has been in the last several years.

The CHAIRMAN. You can get those figures for us—that is, the number of harvested acres in Oklahoma and every State.

Mr. WOOLLEY. We can fix up a table along the lines that he is speaking of. The 5-year average is set forth in table 1 that we distributed—it is captioned "Indicated 1951 State Acreage Allotment," and the first column shows the 5-year average acreage, 1945 through 1949.

Mr. ALBERT. Does that show the harvested acreage?

Mr. WOOLLEY. Picked and threshed.

Mr. ABBITT. Which column is that?

Mr. WOOLLEY. Column 1 of table 1.

The CHAIRMAN. 153,298 acres for Oklahoma?

Mr. WOOLLEY. It shows the average is 241,400 acres, the straight average of the peanuts picked and threshed for 1945 through 1949.

Mr. ABBITT. You mean from the Farm Bureau statement?

Mr. WOOLLEY. Table 1.

Mr. PARKS. There are two sets of tables, 1 and 2. The first set of tables 1 and 2 is what we sent up here with our proposal. This other set is what was sent to the Farm Bureau. The one that he is referring to applies to H. R. 9109, Eighty-first Congress, which was sent with our proposal.

Mr. WOOLLEY. The first column is from 1945 to 1949, the straight average acreage. Do you find that?

Mr. ABBITT. Yes.

Mr. WOOLLEY. We believe what you are talking about is what you had in H. R. 9109 last fall.

Mr. ABBITT. That is the one that we could not get out of the Senate.

Mr. WOOLLEY. That is what we think that needs, just what you said.

Mr. ABBITT. If that is what it says, there is no use in going any further with it. Is that your opinion of it?

The CHAIRMAN. Do I understand, Mr. Woolley, that on this table it shows that Oklahoma had an average acreage of 241,400?

Mr. WOOLLEY. That is correct.

The CHAIRMAN. In 1950, they actually harvested 183,600 acres?

Mr. WOOLLEY. No, that was their acreage allotment prior to Public Law 471. They did not get much under Public Law 471, if anything.

The CHAIRMAN. What did they harvest; have you those figures?

Mr. WOOLLEY. The harvested acreage for 1950?

Mr. PARKS. I have them, but it will take me a few minutes to find them.

Mr. ABBITT. What Mr. Woolley was saying is what we were talking about is practically what we did last year.

Mr. WOOLLEY. The 1950 acreage of peanuts picked and threshed in Oklahoma was 201,000 acres, which includes oil peanuts, incidentally.

Mr. ALBERT. Are we going to include that?

Mr. WOOLLEY. I do not think that we include oil peanuts.

Mr. ABBITT. That is the same provision from which the Texas and Alabama people got their 100,000.

Mr. WOOLLEY. That is the oil provision.

Mr. ALBERT. That is the George bill, a separate act.

Mr. PARKS. That was a provision that permitted the production of peanuts for oil without penalty under the marketing quotas.

Mr. ALBERT. The Cooley amendment provided that you could pay the farmers back if they sold so much. The George provision provided for the excess acreage up to 1947.

Mr. WOOLLEY. That is my understanding.

Mr. ABBITT. It all passed in the same act?

Mr. WOOLLEY. It was finally passed in Public Law 471.

Mr. ABBITT. All of it?

Mr. WOOLLEY. That is right. The Cooley amendment and the oil amendments all went in one bill.

The CHAIRMAN. You do not have the figures of the amount actually harvested, that is, threshed and harvested?

Mr. WOOLLEY. Yes; we have that, but it includes oil.

Mr. ALBERT. Can you get the allotted acreage for each State for the last 5 years?

Mr. WOOLLEY. The allotted acreage?

Mr. ALBERT. The harvested acreage of each State for the last 5 years, picked and threshed peanuts from the allotted acreage.

Mr. PARKS. For 1946, 1947, and 1948 it will be the actual acreage. There were no quotas, no oil provisions or anything else. In 1949 you had no oil provision, but your published figures would be substantially correct although there may have been a few farms here and there that exceeded their allotment. For 1950 the figures are not yet available to us to get the figure you are speaking of. It would have to be calculated on a farm basis to eliminate the excess acreage for each State.

The CHAIRMAN. Let us look at this chart. As I understand it, under the bill we have before us, your acreage would be 153,298 acres.

Mr. ALBERT. That is our allotment right now. We already have that. None of these bills so far affect that one way or another. That is our present allotment.

The CHAIRMAN. They preserve it.

Mr. WOOLLEY. Under H. R. 2085 you have the figure that is contained in the chart attached to the Farm Bureau's statement, and Oklahoma would have 153,298.

Mr. ALBERT. That is what they have under all of these bills. That is what our present allotment is.

The CHAIRMAN. If we preserve that, why, is that not all you hope for? That is what Bob suggested we do.

Mr. ALBERT. That is the allotment. That is not planted acreage.

The CHAIRMAN. You may certainly plant over that except for oil, and you have no right to do that. This is protecting your legitimate allotment.

Mr. ALBERT. I am not saying I would be opposed to it. I would like to study it. I think we ought to get on a historical basis as soon as possible.

The CHAIRMAN. Will you, Mr. Woolley, and Mr. Parks try to get accurate information about Oklahoma's harvested acres?

Mr. ALBERT. I want it for all of the States.

The CHAIRMAN. I understood Mr. Parks to say that he did not have complete information at hand.

Mr. WOOLLEY. Let us be sure what you want. We have a raft of figures already. We would like to be sure that we are not collecting something that is not exactly what you want. What is it you want?

Mr. ALBERT. You have 1946, '47, and '48?

Mr. WOOLLEY. That is correct.

Mr. ALBERT. Picked and threshed acres. I want to know what the picked and threshed was for 1949 and 1950 for every State.

Mr. WOOLLEY. That is right. That will require a lot of analysis and a lot of work.

The CHAIRMAN. Why?

Mr. WOOLLEY. You have to go to the files to find out.

The CHAIRMAN. If you preserve your allotment, why is that not all right? That is what we are talking about, preserving your allotment.

Mr. ALBERT. You are not preserving my allotment by doing that.

The CHAIRMAN. Yes; you are preserving it as your base.

Mr. POAGE. Guaranteeing that nobody will get a cut greater than the national cut.

Mr. ALBERT. You are tying it to the picked and threshed acres of 1 year, rather than the allotted acres, which will be different.

Mr. POAGE. I think it will be different all over the Nation, but will there be any material difference? I am assuming that there will be no material difference between the percentage that was not planted in Oklahoma and the percentage that was not planted in Texas or in Alabama or Georgia, because there is a percentage not planted in every State.

Mr. ALBERT. I have a feeling that the States that take the biggest cut will plant, probably, a lesser proportion because you will have more people frozen out.

Mr. POAGE. I think that is probably true.

Mr. ALBERT. One takes 7 percent and another 30 percent, and so forth.

Mr. POAGE. I agree with you. I am hopeful that when we do set that, that it will give us a method of going on.

Can we not agree that the base in the future will be either the 5-year moving average, skipping 1 year? You always have to skip 1 year in order to give you time to figure it up. We should not right now include 1950. It should be from 1945 through 1949, skipping 1 year. That during the years 1951-54 that base shall in no event in any State ever be cut below the 1950 final allotment.

Mr. ALBERT. That is good.

The CHAIRMAN. That will fix it.

Mr. ABBITT. You will have the same thing we had before.

Mr. POAGE. It would expire in 1954, then.

Mr. ALBERT. I agree with that.

Mr. WOOLLEY. That is the base now.

Mr. POAGE. That is the base.

The CHAIRMAN. And cut from that.

Mr. ALBERT. Will that be the 5-year average or the farm allotment, and then in 1954, or whatever year we want to decide upon, we will go on the straight 5-year average.

Mr. POAGE. Skipping 1 year behind.

Mr. ABBITT. What is the difference between that and the one in H. R. 9109?

Mr. WOOLLEY. Would you not want to break it at the end of the 3-year period, when you vote on the marketing quotas, so that we do not get in the position of shifting ground after the vote on the quotas?

The CHAIRMAN. I do not think there would be any objection to that.

Mr. ALBERT. I think that would be better.

The CHAIRMAN. Then, Mr. Woolley, will you and Mr. Parks confer with Mr. Parker on that particular provision and prepare the proper language?

Mr. WOOLLEY. Yes.

Mr. ABBITT. Before you do that, just for my information, is that not the same thing, practically, as H. R. 9109?

Mr. ALBERT. No. This provides for an expiration date.

Mr. ABBITT. You will have the same set-up as you had in H. R. 9109.

The CHAIRMAN. As you understand, average it for 3 years and then determine from that where we go.

Mr. WOOLLEY. If I understand what you people have said correctly, what you are in effect saying is that you use H. R. 9109 for 3 years.

Mr. ABBITT. There is no use in doing that. We might as well stop right now.

When you get your information up I would like to have a chart showing what we have gotten under the present law, what we get under 9109, what we get under what we propose now, what we get under S. 742.

Mr. WOOLLEY. Mr. Parks would like to ask a question.

Mr. PARKS. On this 5-year proposal that you are speaking of, when you speak of the base do you intend that it would operate in much the same way as H. R. 9109 and add on additional acreage in order to do what Mr. Abbitt is speaking of?

The CHAIRMAN. You have to add enough to adjust his up, so that he would not be below.

Mr. PARKS. It is adding on to the national allotment?

The CHAIRMAN. That is right.

Mr. ABBITT. It is not adding on to the national allotment; it is taking the national allotment, then putting in one column the 5-year average, in the other column the 1950 acres, taking the highest figure, setting that in one column, and that is your percentage.

Mr. PARKS. That is the same as the Department's bill.

Mr. ABBITT. Are we not wasting time, Mr. Woolley, doing that, so far as getting relief over on the other side?

Mr. WOOLLEY. I am of the opinion that you will inevitably have to pass different legislation in the two Houses and then go to conference on it. I do not see how in the world you are going to ever avoid that sort of proposition.

Mr. ABBITT. If we are going to get any relief in 1951—

Mr. WOOLLEY. I think you will have to hurry.

Mr. ABBITT. It will have to be done quickly.

Mr. WOOLLEY. That is right. As I said in the very beginning, we think the necessity for getting something done is so urgent that we ought to move and thrash out our differences as best we can. We are not wedded to any particular bill in order to get the job done. We think if there can be agreement on any one of them, as long as they are not too far away from the fundamental I mentioned, we are ready to go with them.

Mr. ABBITT. Would not S. 742 cost less than what we are talking about?

Mr. ALBERT. It does not take care of this additional element.

Mr. WOOLLEY. We do not find anything in S. 742 to complain about. We think that S. 742 is all right.

Mr. ABBITT. Would it not cost the taxpayers less, would it not cost the Commodity Credit Corporation less than what we are talking about here?

Mr. WOOLLEY. I will put it this way: If the end result under any bill that you pass is to increase the acreage of runner peanuts the net

effect will be to cost the Commodity Credit Corporation more money. If the net effect is not to increase it, it will not cost the Commodity Credit Corporation more money.

Mr. ALBERT. You cannot get a bill through this House that does not increase the Alabama peanut allotment.

Mr. WOOLLEY. If that is at the expense of adding acreage over what has already been allotted in 1951, my judgment is that you will find yourself in difficulty as far as the Senate is concerned.

The CHAIRMAN. How can we do it in any other way? If the Department and the United States Senate want to relieve the situation of the Virginia-Carolina area, and we cannot do it except by adding on a small amount of acreage in the Southeast, why do we not have a strong argument if we present a fair bill?

Mr. WOOLLEY. If any increase was limited to 1951 I am sure that it would not be difficult to find agreement on that basis, but if you increase it as a permanent increase, then I am sure you will have difficulty.

The CHAIRMAN. We are not going to make any concessions yet. We have been up here. We were not just elected yesterday. We are not going to give away all of our stock in trade. So we will talk about that later.

Mr. ABBITT. The point I make is that what we are doing now is going to be harder to get through than 2085.

Mr. ALBERT. Why?

Mr. ABBITT. That will change the base.

Mr. ALBERT. No, it does not, either. When you add 24,000 acres in Alabama and Texas you will come up within a few figures of the same thing for each one.

Mr. ABBITT. I do not know whether Alabama and Texas would go along with 2085.

Mr. POAGE. We are not asking that you give us all of the acreage that we had. We are willing to take our cut from that.

Mr. ABBITT. 2085 is better than 9109.

The CHAIRMAN. After we get this thing fixed this year and we get a fair relationship between all of the areas and all of the States, then when you come to use the ax next year you may cut it just as severely as you wish so as to save the Government from becoming involved in a lot of financial transactions.

Mr. WOOLLEY. As long as you do not write into the law a provision that prohibits us from doing that, why, we can live with it.

The CHAIRMAN. We are not going to prohibit you from doing that at all. The only thing we are saying is that you cannot cut the base of any State below. Then you can take that base and cut it all you want to.

Mr. POAGE. That is right.

Mr. ABBITT. Let us see the figures first.

Mr. WOOLLEY. That, by the way of getting on with the job, is what is in the suggested Department bill. It is what is in the Farm Bureau bill.

The CHAIRMAN. We will recess until 10 o'clock tomorrow morning.

(Whereupon, at 12 m., the committee adjourned, to reconvene on Friday, February 9, 1951, at 10 a. m.)

PEANUT ACREAGE ALLOTMENT AND MARKETING QUOTAS

FRIDAY, FEBRUARY 9, 1951

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to adjournment, at 10 a. m., in room 1310, New House Office Building, Hon. Harold D. Cooley (chairman) presiding.

The CHAIRMAN. The committee will be in order.

I have a list containing the names of several persons who have expressed a desire to testify. We will proceed to hear some of these witnesses.

The first witness will be Mr. Lynn of the American Farm Bureau Federation.

STATEMENT OF JOHN C. LYNN, ASSOCIATE DIRECTOR, ACCOMPANIED BY MATT TRIGGS, ASSISTANT LEGISLATIVE DIRECTOR, AMERICAN FARM BUREAU FEDERATION

Mr. LYNN. Mr. Chairman and gentlemen, our statement is very short, and I would like to read it if I may.

The American Farm Bureau Federation, recognizing the need for revision of the present peanut-marketing-quota legislation, has made several attempts to develop, with producer representatives, satisfactory recommendations to accomplish the needed changes in this legislation. At the request of producer representatives, the American Farm Bureau Federation board of directors authorized the calling of a meeting on January 8, 1951, for the purpose of developing recommendations for revisions that could be agreed to by all peanut producers. A list of these peanut-producer representatives is attached to this statement for your information.

In this meeting, unanimous agreement was reached on the following major points:

1. That legislation in this session of Congress and prior to 1951 planting season is imperative.

2. That provision must be made to insure that production of peanuts of types in short supply will be adequate to meet the need for such types.

3. That the formula for allocating the national peanut allotment among the States should include as a basis for such allocation (1) the average acreage of peanuts during the period 1945-49 and (2) the 1950 State allotments prior to Public Law 471.

4. That provision should be made for transfer of unused acreage allotment.

We have attached to this statement three tables analyzing the apportionment of the national peanut-acreage allotment in 1951 and in succeeding years under present legislation, H. R. 2085, and the American Farm Bureau recommendation which is now contained in S. 742.

I think you gentlemen went through the tables fairly thoroughly yesterday in connection with the other testimony.

The American Farm Bureau Federation therefore recommends approval of H. R. 2085, with one major change. This proposed change deals with the manner of allocating the 1951 national peanut-acreage allotment among the States. Since the 1951 allotment will be the basis for allotments in 1952 and succeeding years, however, our proposed revision is of more significance than might at first appear.

We recommend modification of paragraph (c) (1) of section 358 of the Agricultural Adjustment Act to read as follows:

(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national allotment of 2,100,000 acres, or (b) the State's share of 2,100,000 acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the five years 1945-49: *Provided*, That any allotment * * *

That is just a continuation of that subsection.

The principal effect of our proposed language, as compared with H. R. 2085, is to incorporate the principle that State average acreages of peanuts should have an influence upon the distribution of the national allotment. This principle is not incorporated in H. R. 2085. The 1950 allotments after Public Law 471, which is the sole basis for allocating the national allotment among the States under H. R. 2085, are not based on a specific relationship to actual average acreages of peanuts in any recent period of years.

The 1951 State allotments will be not only the basis for 1951 permissible plantings but, in addition, will serve as the basis for allocation of the national allotment in succeeding years. We have therefore attached to this statement a table which will indicate the influence which the bill approved by this Congress will have on the distribution of the national allotment in succeeding years.

The last table attached to this statement shows that distribution under the three proposals.

In the first two columns are indicated the distribution based on present legislation; in the next two columns the distribution based on the formula in H. R. 2085, and in the final two columns the distribution based on the recommended formula of the American Farm Bureau Federation.

We recommend, therefore, that this committee give favorable consideration to the recommended changes in H. R. 2085 as indicated above. We would emphasize that time is of the essence if the results of any changes in this legislation are to be reflected in the planting of peanuts in 1951. Since the production of those types of peanuts in short supply will not be sufficient in 1951 to meet the indicated demand due to the limitations under the present law, we strongly recommend immediate action to correct this situation.

Finally, may we express to this committee our appreciation for the opportunity to present our recommendations with respect to the proposed legislation.

The CHAIRMAN. We will insert the list of the producer representatives, as well as the tables, in the record at this point.

Mr. LYNN. Thank you.

(The list of producer representatives and the tables referred to are as follow:)

Peanut-producer representatives present at meeting Jan. 8, 1951

<i>Name and address</i>	<i>Agency or organization</i>
J. L. Traimmel, Sumner, Ga-----	Georgia, Florida, Alabama Peanut Association.
E. K. Harrell, Camilla, Ga-----	Do.
R. Flake Shaw, Greensboro, N. C--	
J. W. Kiene, Albany, Ga-----	G. F. A. Peanut Association.
L. L. Thorpe, Newsoms, Va-----	G. P. Co-ops.
E. J. Hockel, Nansemond County, Va.	Do.
E. E. Blackwell, Banger, Tex-----	Southwestern Peanut Growers Association.
J. D. Sargent, Tolar, Tex-----	Do.
Mayou, Parker, Ahoskie, N. C-----	G. P. Co-ops.
H. L. Wingate, Pelham, Ga-----	President, Georgia Farm Bureau.
Charles L. Roff, Durant, Okla-----	Farm Bureau Director.
R. R. Donaldson, Opp, Ala-----	Georgia, Florida, Alabama Peanut Association.
W. W. Rawlings, Capron, Va-----	
C. D. Jordan, Suffolk, Va-----	Production and Marketing Administration.
H. G. Blalock, Baskerville, Va-----	President, Virginia Farm Bureau.
E. D. David, Gorman, Tex-----	Southwestern Peanut Growers Association.
T. G. Hedley, Wewoka, Okla-----	Do.
H. H. Hudson, Holdenville, Okla---	Do.
H. P. Moffett, Stillwater, Okla-----	Production and Marketing Administration.
R. S. Oliver, Washington, D. C-----	Do.
W. B. Crawley, Banks, Ala-----	Farmer.
J. D. Gardner, Camilla, Ga-----	Attorney, Georgia, Florida, Alabama Peanut Association.
S. E. Stathnam, Cobb, Ga-----	Farmer.
E. H. Finlayson, Greenville, Fla-----	Florida Farm Bureau.
H. S. Gregory, Quincy, Fla-----	Do.
W. B. Anderson, Florida-----	Georgia, Florida, Alabama Peanut Association.
R. C. Morgan, Portales, N. Mex--	Director, New Mexico Farm Bureau.
P. F. Weaver, Emporia, Va-----	G. P. Co-op director.
Bob Hines, Franklin, Va-----	G. P. Co-op.
R. V. Knight, Tarboro, N. C-----	G. P. Co-op director.
W. Randolph Eagles, Macclesfield, N. C.	Farmer.
W. M. Stephenson, Pendleton, N. C.	G. P. Co-op director.
J. B. Fearing, Windsor, N. C-----	Do.
E. M. Johnson, Franklin, Va-----	G. P. Co-op.
Walter Randolph, Montgomery, Ala.	President, Alabama Farm Bureau.
A. D. Richardson, Floresville, Tex--	
J. Walter Hammond, Waco, Tex--	President, Texas Farm Bureau Federation.
Robert Compton, Portales, N. Mex--	New Mexico Farm Bureau Federation.
John Burros, Portales, N. Mex----	Do.
Arthur F. Jones, Portales, N. Mex--	Do.

Peanuts: Indicated 1951 State acreage allotment on basis of S. 742

State	1945-49 average acreage	1950 acreage allot- ment ¹	2,100,000 acres apportion- ed basis, column 1	Larger of columns 2 and 3	1,771,117 acres apportion- ed basis, column 4	1951 allot- ment pre- viously an- nounced	Larger of columns 5 and 6	Possible type adjust- ments ²	Final 1951 allot- ment
	(1)	(2)	(3)	(4)	(5)	(6)			
Virginia.....	154,600	141,108	105,873	141,108	112,869	117,819	117,819	23,289	141,108
North Carolina.....	287,600	225,702	196,955	225,702	180,535	188,451	188,451	37,251	225,702
Tennessee.....	5,400	4,766	3,698	4,766	3,612	3,979	3,979	787	4,766
South Carolina.....	27,200	18,375	18,627	18,627	14,899	15,342	15,342	1,516	18,375
Georgia.....	1,046,600	701,400	716,733	716,733	573,301	585,638	585,638		585,638
Florida.....	96,400	73,236	66,017	73,236	58,580	61,149	61,149		61,149
Alabama.....	444,200	274,907	304,197	304,197	243,321	229,535	243,321		243,321
Mississippi.....	15,400	9,272	10,546	10,546	8,436	7,742	8,436		8,436
Arkansas.....	8,600	5,473	5,889	5,889	4,710	4,570	4,710		4,710
Louisiana.....	4,000	2,506	2,739	2,739	2,192	2,092	2,191		2,191
Oklahoma.....	241,400	183,600	165,316	183,600	146,858	153,298	153,298		153,298
Texas.....	723,600	451,200	495,536	495,536	396,369	376,732	396,369		396,369
New Mexico.....	10,000	5,959	6,848	6,848	5,478	4,975	5,478		5,478
Arizona.....	500	960	342	960	768	801	801		801
California.....	500	1,257	342	1,257	1,005	1,050	1,050		1,050
Missouri.....	500	279	342	342	274	274	274		274
New farms.....					17,711	17,711	17,711		17,711
Total, United States.....	3,066,500	2,100,000	2,100,000	2,192,086	1,771,117	1,771,117	1,806,017	62,843	1,868,860

¹ Prior to Public Law 471.² Assume that type adjustments for 1951 to bring acreage of Virginia-type peanuts to 1941 acreage is determined to be desirable.*Peanuts: Indicated State acreage allotments for 1951 on basis of H. R. 2085*

State	1950 acre- age allot- ment final	1951 na- tional allot- ment apportion- ed basis column 1	1951 State allot- ments already an- nounced	H. R. 2085 first in- dicated 1951 State allot- ments	Increase above 1951 State an- nounced allot- ments	Possible type adjust- ment ¹	Final 1951 allot- ment
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Virginia.....	141,108	112,454	117,819	117,819	0	23,289	141,108
North Carolina.....	225,702	179,869	188,451	188,451	0	37,251	225,702
Tennessee.....	4,766	3,789	3,979	3,979	0	787	4,766
South Carolina.....	20,459	16,304	15,342	16,304	962	2,071	18,375
Georgia.....	701,400	585,968	585,638	585,638	0		585,638
Florida.....	73,336	58,364	61,149	61,149	0		61,149
Alabama.....	319,373	254,519	229,535	254,519	24,984		254,519
Mississippi.....	11,286	8,994	7,742	8,994	1,252		8,994
Arkansas.....	6,724	5,359	4,570	5,359	789		5,359
Louisiana.....	3,228	2,572	2,092	2,572	480		2,572
Oklahoma.....	183,600	146,317	153,298	153,298	0		153,298
Texas.....	499,873	398,366	376,732	398,366	21,634		398,366
New Mexico.....	6,902	5,500	4,975	5,500	525		5,500
Arizona.....	960	765	801	801	0		801
California.....	1,257	1,002	1,050	1,050	0		1,050
Missouri.....	320	255	233	255	22		255
New farms.....		17,711	17,711	17,711			17,711
Total, United States.....	2,200,194	1,771,117	1,771,117	1,821,765	50,648	63,398	1,885,163

¹ Assumed that type adjustment for 1951 to bring acreage of Virginia-type peanuts to 1941 is determined to be desirable.

Apportionment of 1952 peanut allotments under various bills (does not include type adjustments)

State	Base under present legislation	Percent of total	Base under H. R. 2085	Percent of total	Base under S. 742	Percent of total
Virginia.....	117,819	6.719	117,819	6.530	117,819	6.588
North Carolina.....	188,451	10.748	188,451	10.446	188,451	10.538
Tennessee.....	3,979	0.227	3,979	0.221	3,979	0.223
South Carolina.....	15,342	0.875	16,304	0.904	15,342	0.858
Georgia.....	585,638	33.400	585,638	32.462	585,638	32.748
Florida.....	61,149	3.487	61,149	3.390	61,149	3.419
Alabama.....	229,535	13.091	254,519	14.108	243,321	13.006
Mississippi.....	7,742	0.442	8,994	0.498	8,486	0.472
Arkansas.....	4,570	0.261	5,359	0.297	4,710	0.263
Louisiana.....	2,092	0.119	2,572	0.143	2,191	0.123
Oklahoma.....	153,298	8.743	153,298	8.497	153,298	8.572
Texas.....	376,732	21.486	398,366	22.082	396,369	22.164
New Mexico.....	4,975	0.284	5,500	0.305	5,478	0.306
Arizona.....	801	0.046	801	0.044	801	0.045
California.....	1,050	0.050	1,050	0.058	1,050	0.59
Missouri.....	233	0.013	255	0.014	274	0.015
Total.....	1,753,406	100	1,804,054	100	1,788,306	100

The CHAIRMAN. Do you have anything further?

Mr. LYNN. I would like to add just a word to this. This agreement that we reached on January 8, was after three attempts at getting the peanut producers together, as some of you gentlemen know.

We would first like to express our appreciation to this committee and to the House of Representatives in being so willing in trying to correct this situation. We understand some of the difficulties involved in getting this legislation completely through the Congress. We made an effort in this agreement to try to take into consideration some of the opposition that had been raised by the Senate in regard to this hoping that this would be something that we could get through both Houses of Congress in order to be effective in 1951.

The bill now under consideration, H. R. 2085, contains very little difference, actually, between that and the recommended Farm Bureau position. Actually, in acres for 1951 there is about 16,000 acres difference. And about 14,000 of it would go to Alabama and the other 2,000 to Texas. That is the difference between the Farm Bureau bill and the one under consideration here.

However, I would like to call your attention to the last table attached to this statement showing the distribution of acreage in 1952 under the three proposals. That concludes my statement, sir.

Mr. POAGE. May I ask you this question? I realize you are recommending, of course, the Farm Bureau bill which was considered in your meeting?

Mr. LYNN. Yes.

Mr. POAGE. Do you see either a moral or a practical objection to providing Texas and Alabama with a provision that will make sure they will not be required to take a greater proportionate cut than the other States?

Mr. LYNN. Certainly we would say otherwise, I mean, certainly it ought to be a proportionate cut.

Mr. POAGE. Under the bill as it is now written, Texas and Alabama will take a greater percentage reduction than the rest of the Nation.

Mr. ALBERT. Not under the bill.

Mr. POAGE. I am talking about the bill he is discussing, the Farm Bureau proposal.

Mr. LYNN. Certainly they get a greater recognition of Public Law 471 than they do under our bill, but in the case of Texas that is only 1,997 acres more recognition than under the Farm Bureau bill. The principal part of the 16,000 acres goes to Alabama.

The CHAIRMAN. There are two objectives sought to be accomplished by H. R. 2085, first, to relieve the situation in North Carolina and the Virginia areas. Everybody seems to agree that this should be done. The second is to correct what we conceive to be an inequity in the application of the allotments in the States of Texas and Alabama and perhaps in a small degree in some other States.

You are in accord with the accomplishment of those two objectives, are you not?

Mr. LYNN. By all means, sir.

The CHAIRMAN. While in correcting the situation we might add to the acreage allotments, after all, the amount added is small and almost negligible when compared to the national acreage allotment of almost 2,000,000 acres?

Mr. LYNN. That is right.

The CHAIRMAN. Are there any other questions? If not, we thank you very much, gentlemen, for your appearance.

Mr. LYNN. We have some State Farm Bureau people here who would like to supplement this statement.

The CHAIRMAN. Will Mr. Rawlings testify?

Mr. LYNN. Yes, sir.

STATEMENT OF WILLIAM V. RAWLINGS, EXECUTIVE SECRETARY, ASSOCIATION OF VIRGINIA PEANUT AND HOG GROWERS

The CHAIRMAN. Where are you from, Mr. Rawlings?

Mr. RAWLINGS. I am from Virginia, sir. I represent the Virginia Farm Bureau on the Association of Virginia Peanut and Hog Growers.

I do not have anything except a very brief statement that I am here to back up the statement that has been made by Mr. Lynn on behalf of the American Farm Bureau Federation. I represent the Virginia Farm Bureau and our Peanut and Hog Growers Association.

They took part in the conference on January 8 when we came to this agreement among the producer representatives from all of the major peanut-producing States as to what we agreed to.

The CHAIRMAN. There is not a great deal of difference as to what you agreed to and what we have in H. R. 2085, is there?

Mr. RAWLINGS. I think it is very negligible in a relative sense.

As Mr. Lynn pointed out it is only a matter of about 15,000 acres that is involved, and that compared to the national allotment is a negligible figure, I think.

The CHAIRMAN. Are there any questions, Mr. Abbitt, that you want to ask?

Mr. ABBITT. I would just like to say for the benefit of the committee that Congressman Hardy, in my opinion, knows more about it than I do. I rely heavily on his judgment. Mr. Hardy might like to say something.

The CHAIRMAN. Thank you very much.

Mr. Shaw, do you want to make any further statement at this time?

**STATEMENT OF FLAKE SHAW, EXECUTIVE VICE PRESIDENT,
NORTH CAROLINA FARM BUREAU FEDERATION**

Mr. SHAW. I would like to make a very brief statement at this time.

The CHAIRMAN. We will be glad to hear you right now.

Mr. SHAW. It will not take but a minute.

Gentlemen of the committee, the statement prepared by the American Farm Bureau Federation that Mr. Lynn presented was an agreement reached by the producer representatives from all of the peanut-producing States. And certainly we had only one interest in view.

As you gentlemen know, many of you who have been here a long time, you told us in the commodity field that if we wanted to get legislation we had to get together. Well, we tried to get together on the best thing that we could work out in the compromise position that would make it possible to expedite this matter and get it through.

If we do not get some legislation it will just be too bad for us. Certainly there is no reason that I can see except for the fact that we did not have this agreement why we could not be for the committee bill as well as we could be for the one we recommended.

In our opinion the bill that was presented by the American Farm Bureau Federation, we did have the agreement and of course we are bound by that agreement to our fellow constituents in the States, to recommend that, but if in the judgment of the committee the other bill fits better and comes nearer doing what you think should be done for the long-time best interests, I am sure, so far as our State is concerned, there would be no objection, speaking as a representative of the people that we had in the meeting at that time.

There has been some question raised about whether or not we did have representative people in the meeting that was held on January 8. That we are not in a position to qualify on, except to say that we called on the States to send in their representatives. We do have coverage in the American Farm Bureau in these States. If there is any other organization that has better coverage, we have not been able to find it.

So when we called on them to send up their men, and they send them up here, then we work with them and get an agreement with them, we take that as the information that comes from the State through their representative delegates that we work with.

We have to look to this committee, Mr. Chairman, and we know you folks understand this thing. We know that this legislation as it is now being administered cannot stand up. It is a reflection on the program. It is a reflection on the Agricultural Committee, the committee we are proud of, and the one we look to for help. This inequity does exist, and we cannot go along and have peanuts in short supply that are in demand.

The CHAIRMAN. At that point, Mr. Shaw, you and your organization agree that something should definitely be done immediately to relieve the situation in the Virginia-Carolina area?

Mr. SHAW. That is right.

The CHAIRMAN. You are perfectly willing for adjustments to be made in other areas?

Mr. SHAW. That is right.

The CHAIRMAN. That is the purpose sought to be accomplished by this bill, and the same purpose you folks had in mind when you met in Washington?

Mr. SHAW. Absolutely.

The CHAIRMAN. It is just a question of degree?

Mr. SHAW. That is right.

The CHAIRMAN. As to whether we adopt the bill, as you want to present it, or adopt some other version of it?

Mr. SHAW. That is right.

The CHAIRMAN. We have the same objectives.

Mr. SHAW. That is exactly right.

The CHAIRMAN. Do you agree that it is necessary for us to act expeditiously at this time?

Mr. SHAW. Absolutely, that is the very essence of it, getting the thing moving, because it is almost time to start planting.

The CHAIRMAN. This, as you know, is a committee of action. However, we have no control over the other body.

Mr. SHAW. That is right. If you gentlemen will be active, and you will get the action over here, we will use all of our power to try to promote action on the other side. We will admit we have not been too effective at the job, but we will do our best.

Mr. POAGE. That is a fair proposition. We will accept it.

Mr. SHAW. We are looking first to you to get the ball rolling and do it quickly. We know you have the ability. You folks know the legislation. You know the problem. And certainly we think we can give a lot of help on the other side if and when we get going over here.

Mr. POAGE. You remember we did pass a bill last fall on this subject?

Mr. SHAW. That is true, but we did not get a fair deal with that one over there, for one reason or another.

Mr. ALBERT. I think these gentlemen representing Virginia and North Carolina, as well as the American Farm Bureau, take a very fair attitude on this matter. They are to be complimented.

The CHAIRMAN. Are there any further questions?

If not, we thank you very much for your statement.

Mr. SHAW. Thank you.

The CHAIRMAN. We will next hear from Mr. Odom of the Suffolk Peanut Co., Suffolk, Va.

Mr. ABBITT. He is a constituent of Mr. Hardy's. He might like to introduce him.

Mr. HARDY. I appreciate the privilege of sitting up with this august committee. I also appreciate the privilege of having two of my constituents testify before this committee. They are both extremely able.

My neighbor here says that is why I am here, because I have constituents here. That is one major reason, but I have another reason for being here and that is, that I am particularly interested in this legislation from the standpoint of my district. I cannot emphasize too strongly the plea that Mr. Shaw made a moment ago, that action be expedited in this committee.

The CHAIRMAN. We are very glad to have you, Mr. Odom.

STATEMENT OF THOMAS D. ODOM, SUFFOLK PEANUT CO.,
SUFFOLK, VA.

Mr. ODOM. My name is Thomas Odom. I am with the Suffolk Peanut Co. I am representing the Virginia-Carolina Peanut Association.

We are going to be very brief in what we have to say this morning. We are up here for the purpose of supporting H. R. 4 and your bill H. R. 40. That, we feel, is temporary legislation to take care of the situation.

The CHAIRMAN. Let me interrupt you there. You also support the provisions of H. R. 2085 which deal with the North Carolina-Virginia situation, do you not?

Mr. ODOM. In some degree, yes.

The CHAIRMAN. What is it that you object to in that, is there any part that you object to?

Mr. ODOM. We feel it is a little controversial, and that 2085 is one that everybody is not in accord with.

The CHAIRMAN. I am talking about the provisions of H. R. 2085 which deal with our situation in North Carolina and Virginia.

Mr. ODOM. That is right.

The CHAIRMAN. You are in accord with that?

Mr. ODOM. We are in accord with that thoroughly. We realize we are in short supply. Everybody here concedes that fact, I think. And the element of time involved before the planting season we agree on. If there is any controversy among these other bills, I think they are H. R. 4, H. R. 8, H. R. 40, H. R. 2385, H. R. 2085, and S. 742, the farmers of course are here to testify to that; in order to get our acreage planted, I think action should be taken immediately. That was the consensus of opinion in our association, that we go on record as supporting H. R. 4, and if there is anything that you gentlemen can work out later for later legislation, why that will have to be done. We think that the time element now is paramount, that temporary legislation should be passed to take care of the immediate situation and you gentlemen work out the bill that is satisfactory to everybody at a later date.

Mr. ABBITT. What you are saying, as I understand it, Mr. Odom, is that you want to prevent getting into the same tangle that we had last year.

Mr. ODOM. That is right. We have been working on this right along since last August. We think that the time is drawing near. And considering the length of time it takes usually to get any bill passed, it would be too late to take care of our situation.

The CHAIRMAN. You think you might be able to convince some of the Senators that this is an important matter we are dealing with?

Mr. ODOM. We do not know whether we can convince them or not, but we will try.

The CHAIRMAN. That is the idea. They do not seem to be impressed with the importance of dealing with peanuts. After all, it is a very important crop down in your country.

Mr. ODOM. That is right. The economy of our particular area depends entirely on peanuts.

The CHAIRMAN. You realize what we are trying to do here today, and what we tried to do in the last session, is to correct two situations:

One, in North Carolina and Virginia, and the other Alabama and Texas, and to some degree in Oklahoma. And if I understand the peanut growers and producers in Virginia and the North Carolina areas, they are perfectly willing to cooperate with the other growers to correct the inequities, so that we may bring about a uniformity in the peanut quota law which did not exist until we passed the law in 1950.

Mr. ODOM. That is right.

The CHAIRMAN. Are there any further questions? If not, we thank you very much, Mr. Odom.

Mr. ODOM. I thank you.

The CHAIRMAN. We will next hear from Mr. Carl Elmer Johnson of the Peanut and Nut Salters Association of Chicago.

STATEMENT OF CARL ELMER JOHNSON, PEANUT AND NUT SALTERS ASSOCIATION, CHICAGO, ILL.

Mr. JOHNSON. Mr. Chairman and gentlemen, the Peanut and Salters Association is strongly in favor of permanent legislation to permit the provisions of the Agricultural Adjustment Act to be applied to each type of peanut severally.

We believe that the urgency is so great that we should not quibble about a matter of some few acres here or there.

As this committee is fully aware of our position in this respect, there is no need of my repeating the arguments in favor of such legislation. However, I do want to sound a warning, a warning of possible short supplies, rather than surpluses.

The salters remember all too well the shortages that existed in the last war. We are now faced with a similar wartime economy. And a year from now we may also face embarrassment and censure of a shortage of peanuts in the face of a foreseeable defense need.

That is all I have to say, Mr. Chairman.

Mr. ALBERT. You realize, of course, that this legislation will add some acreage to what the Department has already allotted.

Mr. JOHNSON. I do.

Mr. ALBERT. And, therefore, this committee is going further than the Department feels it should go in making the national allotment?

Mr. JOHNSON. I understand. Our association has felt that probably—and I say probably—that this is the time when maybe we should even dispense with any controls.

Mr. ABBITT. Did you have any particular measure in mind that you felt we should act expeditiously upon and that a few acres one way or the other did not matter? Did you have any particular one of these bills in mind that we should act on immediately?

Mr. JOHNSON. We favored your bill, Mr. Abbitt, quite strongly, but there is not too much difference, as we see it. The urgency of having some legislation that will give us more Virginia-type peanuts is paramount.

Mr. ABBITT. Do you feel that can be adequately done under H. R. 2085?

Mr. JOHNSON. I do.

Mr. ABBITT. Or under S. 742?

Mr. JOHNSON. Right.

The CHAIRMAN. Mr. Johnson, would you tell us briefly about your association so that the members may understand whom you represent and the nature of the organization you represent?

Mr. JOHNSON. The Peanut and Nut Salters Association is a national association with salters in many of the 48 States. We process all kinds of salted nuts, but peanuts are a very major part of our volume of production.

Virginia-type peanuts for many years have been a problem with us, because we just have not had sufficient supplies of the so-called extra large and medium Virginia peanuts. The cost of peanuts because of the shortages has been so drastic in its advance that we are also faced with a problem that we are sometimes almost priced out of the market. There have been times when other commodities, that is, competitive items in our own field, have been so near to the retail price of blanched Virginia peanuts that there has been a definite swing away from Virginia peanuts. We do not believe that is healthy.

The CHAIRMAN. And the shortage was so acute sometime during last year that we were faced with the possibility that large peanuts from Red China might come into this country, is that not true?

Mr. JOHNSON. That is true.

The CHAIRMAN. And the candy manufacturers, as well as the salters, were interested in that particular problem?

Mr. JOHNSON. That is true.

The CHAIRMAN. And you think it would be difficult for us to justify a continuation of this program if we continue to curtail drastically this commodity which is in short supply?

Mr. JOHNSON. That is right, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

Mr. OSTERTAG. I am not familiar with the peanut problem or the peanut production. The witness indicated a relationship to the national defense. I was wondering what he meant by that.

The CHAIRMAN. Are you not talking about it from the standpoint of the oil, Mr. Johnson?

Mr. JOHNSON. I had reference particularly during the last war of the terrific pressures by the Armed Forces for blanched Virginia-type peanuts. While they purchased many of all types we did have a very extraordinarily large demand for the blanched Virginia type and at times were put to it pretty hard to take care of those demands.

The CHAIRMAN. We also have the situation that the peanut is a vital necessity in time of war, is that not true?

Mr. JOHNSON. Yes, sir. The oils are extremely vital.

The CHAIRMAN. And what appears to be a burden now may turn out very easily to be a blessing?

Mr. JOHNSON. That is true. At the present time, the prices of crude peanut oil have reached high levels, so high that the present holdings, for example, that the Commodity Credit Corporation has can be sold with a nominal loss as compared to 6 months or a year ago. There might be such a thing transpire that oils will continue to advance to such a point where it will cost them nothing to dispose of any surpluses.

The CHAIRMAN. Are there any further questions? If not we thank you very much, Mr. Johnson.

Mr. JOHNSON. Thank you.

The CHAIRMAN. I think we have heard from all of the witnesses listed. Is there any other person present who desires to speak on the subject?

STATEMENT OF HON. HERBERT C. BONNER, A UNITED STATES REPRESENTATIVE FROM THE STATE OF VIRGINIA

Mr. BONNER. Yes; I should like to.

The CHAIRMAN. We shall be delighted to hear from you.

Mr. BONNER. I am, of course, interested in this subject. I have some other committee work to attend to this morning and I would like for the record to show that I am present.

I am greatly interested in the subject under discussion. It is irrefutable that you are dealing with something that must be adjusted. It will eventually, unless this program is cleared up, break down the entire agricultural program, because it does not stand to reason that law or legislation would prohibit the production of an agricultural crop that is in great demand and now short supply when the consuming world is asking for this type of product.

I realize the difficulty that the members of your committee are having, yet I appreciate the fair-mindedness with which those who are vitally affected are approaching and viewing the subject.

I am sure that you will reach a conclusion that will be satisfactory to all. I am greatly interested in the subject and will lend such help as I can in the House and in the Senate to see that some legislation is passed in the Congress shortly to clear up the difficulty that everybody agrees exists.

Thank you.

The CHAIRMAN. We thank you very much, Mr. Bonner, for your statement and for your interest.

Is there any other person present who desires to be heard? If so, please indicate it now.

We would now like to have Mr. Woolley and Mr. Parks come back to the stand for just a moment, please.

STATEMENT OF FRANK K. WOOLLEY, DEPUTY ADMINISTRATOR; GEORGE A. PARKS, PRODUCTION AND MARKETING ADMINISTRATION; AND JOHN BAGWELL, ATTORNEY, DEPARTMENT OF AGRICULTURE—Resumed

The CHAIRMAN. On the bottom of page 3, will you and Mr. Parks discuss that State acreage allotment provision, and give us an explanation of why you favor that change. It is that provision that deals with the State acreage allotment for 1952 and any subsequent year. Will you explain the Department's position with respect to that provision?

Mr. OSTERTAG. May I ask another question? This part of the bill that you are speaking of relates to the absence of a formula, or, a formula in dealing with this question?

The CHAIRMAN. It is a change in the formula.

Mr. OSTERTAG. That is what I mean.

The CHAIRMAN. In apportioning the allotments from the State to the farmers, there was a provision that was in the bill proposed by

the Department. I think it was also in the bill proposed by the Farm Bureau.

Mr. WOOLLEY. Mr. Chairman, with respect to the paragraph on the bottom of page 3 that will make the provisions with respect to breaking the allotments down to the farms comparable to the manner in which we break down allotments to farms in connection with tobacco and other commodities and it will provide the same sort of treatment that we have—

The CHAIRMAN. This is the formula used in making other allotments under other quota programs but not on cotton. It is on wheat and tobacco?

Mr. WOOLLEY. It is substantially the same with respect to wheat. It is the same with respect to tobacco. And it is the system that we use on all commodities except cotton. And the same as the adjustment on cotton.

The CHAIRMAN. What is the change now, what is the present situation which relates to this proposed change?

Mr. WOOLLEY. What it basically does is that it broadens our authority just a little bit from what is now in the law.

Mr. BAGWELL. The present law provides that State peanut acreage allotments shall be apportioned on the basis of tillable acreage available for the production of peanuts and the past acreage of peanuts on the farm, taking into consideration previous allotments, and it was felt that we needed a little more authority for making relationship adjustments between farms. This is identical with the standards that are in the law relating to tobacco, and they are the same as the standards for adjustments in cotton.

The CHAIRMAN. It states:

Taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

Mr. BAGWELL. That is correct.

The CHAIRMAN. That is the addition?

Mr. BAGWELL. That is right. It leaves history in there just like it is in the law now.

Mr. POAGE. It worked very well, as I understand it, in some other crop, but it does actually leave in the hands of the county committee absolute and unquestioned authority to say that John Jones gets a tremendous peanut acreage and that Henry Smith gets none, does it not?

Mr. BAGWELL. No; I think not, Mr. Poage.

Mr. POAGE. I am not saying that they ordinarily use it arbitrarily, but what recourse has an individual when the county committee finds he does not have the labor, finds that his farming practices have not been good—they can find anything in the world they want, and they can say, "Why, you are out of the peanut business."

Mr. BAGWELL. You appreciate the fact that the Secretary, in the allotment regulations, lays down some specific guides to the county committee. If that committee fails to follow them, of course, the farmer can go to the review committee and from the review committee to court. I do not believe that the farmer is in any danger.

Mr. POAGE. What review committees are there? What review committee is there for this?

Mr. BAGWELL. They are identical——

Mr. POAGE. Is that the same committee that reviews the cotton allotments that would review this?

Mr. BAGWELL. Not necessarily, but the same provisions of law are applicable. The set-up is the same.

The CHAIRMAN. Mr. Woolley, do you and your associates have any further observations to make concerning the matter before us?

Mr. WOOLLEY. I would like to join, if I have not already made it clear, with the statements that have already been made this morning that it is very urgent that action be taken. We certainly are not quarrelling with H. R. 2085 and any comments that I made were merely to the effect that if we could have what we wanted, why we would like to have the formula set up in the act rather than have it turned over to the Secretary as his responsibility, but we are not in any bitter disagreement about that at all. We would certainly agree to H. R. 2085. We would also agree to the suggested bill that was submitted by the Farm Bureau, S. 742. H. R. 2085 only adds some 15,000 acres in 1951 more than the suggestion by the Department. We think that is an entirely reasonable quantity. Certainly, it is not anything that anybody would be justified in taking great exception to. Certainly, you have to work this legislation out on a compromise basis, and that is a very small compromise to be made.

The CHAIRMAN. On page 4, will you look at the language there which deals with the county allotments and also provides for 1 percent of the national acreage allotment as follows:

Not more than 1 per centum of national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past 3 years, on the basis of the following.

And then it provides the formula. Is that a desirable change?

Mr. WOOLLEY. That is very desirable. We have not had that before, but we think it is a very desirable provision.

The CHAIRMAN. And the authorization, also, on page 4, to provide for county allotments in the event that you desire to make them?

Mr. WOOLLEY. That is very definitely in the interest of flexibility in administration, if it is found desirable to move in that direction, because it enables us to do so. We think it is very fine.

The CHAIRMAN. Are there any questions?

Then on page 6, will you glance at that page, subsection (h)?

Mr. WOOLLEY. Yes, we think that is very desirable and necessary in view of what has taken place with respect to the establishment of some defense construction in peanut areas.

The CHAIRMAN. The substance is that where the Government takes over large areas in the peanut-growing area, displaces the farmer, he may take that acreage with him to a newly acquired farm?

Mr. WOOLLEY. Yes, it is very necessary to be fair and equitable, and that that be done.

The CHAIRMAN. That has been done with regard to other commodities, has it not?

Mr. WOOLLEY. Yes, sir; in some instances.

The CHAIRMAN. Are there any further questions?

Mr. ABERNETHY. You say that you did not have the authority to make the 1 percent or similar reservation in the national level heretofore, did you say that?

Mr. WOOLLEY. We did not have the specific language that appears in the law as suggested in H. R. 2085. There has been something done administratively that approximates this. We welcome very much this language being very clear on that subject.

Mr. ABERNETHY. I see on the table that was distributed yesterday, the first page, down at the bottom, that they have reserved the national level 17,711 acres for new farms.

Mr. WOOLLEY. That is right.

Mr. ABERNETHY. How did you do that if you did not have the authority before to do it?

Mr. WOOLLEY. I did not mean to imply that we did not have the authority to do it. We, of course, have checked everything we have done with our counsel, and our counsel has told us that we have done it in accordance with the law. This very definitely makes it crystal clear and also provides the standards on which it shall be done, which is a welcome addition.

Mr. ABERNETHY. Under what provision of the law was that 17,711 acres reserved?

Mr. WOOLLEY. I will have to ask our counsel with respect to that.

Mr. BAGWELL. There is no specific authority in the law now to make any acreage available to the new grower. It was felt by our office that while there was some question about it, the Congress did not mean to shut off completely the new grower, but that we ought to get something in the legislation that is a basis for that action specifically. And it was for that reason that this provision was put in. There has been a little acreage, not to exceed 1 percent, reserved for new farms in prior years. I do not recall just how many years that has been done.

Mr. ABERNETHY. The reason I am asking that is because it brings up a rather interesting situation. That is certainly a tremendous departure from the approach last year, that is, last fall a year ago that was made on the cotton allotment bill when we were, and I hesitate to say it, kicked around, but almost kicked around by tying the hands of the Department hand and foot and giving them no authority at all to make any adjustments. Here, without any authority of law, you have found a way to make some adjustments among the peanut people. That certainly was not found last year.

It looks to me as if somebody was leaning over backwards last year not to find some ways to make adjustments with the cotton differences.

Mr. BAGWELL. These are not really adjustments. It is a small acreage for the man who has not been growing any peanuts at all.

Mr. ABERNETHY. The fact remains that there is not anything in the law that authorizes it to be done.

Mr. BAGWELL. That is true. I agree with you.

The CHAIRMAN. Are there any further questions? If not, we thank you very much, Mr. Woolley.

The committee will now go into executive session. I would like to put in the record a telegram that we have received from Mr. H. L. Wingate, president of the Georgia Farm Bureau Federation.

(The telegram dated February 8, from Mr. H. L. Wingate, is as follows:)

ATLANTA, GA., February 8, 1951.

CONGRESSMAN HAROLD COOLEY,
Chairman, House Agriculture Committee.

Am in full agreement with American Farm Bureau's position on peanut legislation. This legislation is most important if we are to save our peanut program.

H. L. WINGATE,
President, Georgia Farm Bureau.

The CHAIRMAN. We are now going into executive session.

(Whereupon, at 11:10 a. m., the committee went into executive session.)

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H. R. 7615

CHD

82D CONGRESS
1ST SESSION

H. R. 2615

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 1951

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 358 of the Agricultural Adjustment Act of
4 1938, as amended, is amended to read as follows:

5 1. Subsection (c) is amended to read as follows:

6 “(c) (1) The national acreage allotment for 1951,
7 1952, 1953, and 1954, less the acreage to be allotted to
8 new farms under subsection (f) of this section, shall be
9 apportioned among the States on the basis of the average
10 acreage of peanuts harvested for nuts in each State during
11 the five-year period 1945-1949: *Provided*, That the State

1 acreage allotment so established for any State shall not be
2 less than the acreage allotment which would be established
3 for such State if the national acreage allotment for such
4 year were apportioned among the States on the basis of the
5 acreage allotted to each State as its share of the final 1950
6 national acreage allotment of two million two hundred thou-
7 sand one hundred and ninety-four acres: *Provided further,*
8 That the allotment so determined for any State for 1951
9 which is less than the 1951 State allotment announced by
10 the Secretary prior to the enactment of this Act shall be
11 increased to such announced allotment and the acreage
12 required for the increase authorized under the foregoing
13 provisos shall be in addition to the national acreage allot-
14 ment and the production from such acreage shall be in addi-
15 tion to the national marketing quota.

16 “(2) The national acreage allotment for 1955 and any
17 subsequent year, less the acreage to be allotted to new farms
18 under subsection (f) of this section, shall be apportioned
19 among the States on the basis of the average acreage of
20 peanuts harvested for nuts in the State in the five years
21 preceding the year in which the national acreage allotment
22 is determined, adjusted for abnormal conditions of produc-
23 tion, but such harvested acreage for any year of the five-year
24 period shall not exceed the State acreage allotment for such
25 year.

1 “(3) Notwithstanding any other provision of law, if the
2 Secretary of Agriculture determines, on the basis of the aver-
3 age yield per acre of peanuts by types during the preceding
4 five years, adjusted for trends in yields and abnormal con-
5 ditions of production affecting yields in such five years, that
6 the supply of any type or types of peanuts for any marketing
7 year, beginning with the 1951-1952 marketing year, will
8 be insufficient to meet the estimated demand for cleaning and
9 shelling purposes at prices at which the Commodity Credit
10 Corporation may sell for such purposes peanuts owned or
11 controlled by it, the State allotments for those States pro-
12 ducing such type or types of peanuts shall be increased to
13 the extent determined by the Secretary to be required to
14 meet such demand. The total increase so determined shall
15 be apportioned among such States for distribution among
16 farms producing peanuts of such type or types on the basis
17 of the average acreage of peanuts (excluding acreage in
18 excess of farm allotments) of such type or types in the
19 three years preceding the year in or for which the allotments
20 are being determined. The additional acreage so required
21 shall be in addition to the national acreage allotment, the
22 production from such acreage shall be in addition to the
23 national marketing quota, and the increase in acreage allotted
24 under this provision shall not be considered in establishing
25 future State, county, or farm acreage allotments.”

1 2. Subsection (d) is amended by changing the second
2 sentence to read as follows:

3 “(d) The State acreage allotment for 1952 and any
4 subsequent year shall be apportioned among farms on which
5 peanuts were produced in any one of the three calendar
6 years immediately preceding the year for which such appor-
7 tionment is made, on the basis of the following: Past acreage
8 of peanuts, taking into consideration the acreage allotments
9 previously established for the farm; abnormal conditions
10 affecting acreage; land, labor, and equipment available for
11 the production of peanuts; crop-rotation practices; and soil
12 and other physical factors affecting the production of
13 peanuts.”

14 3. Add new subsections (e), (f), (g), and (h) as
15 follows:

16 “(e) Notwithstanding the foregoing provisions of this
17 section, the Secretary may, if the State committee recom-
18 mends such action and the Secretary determines that such
19 action will facilitate the effective administration of the pro-
20 visions of the Act, provide for the apportionment of the State
21 acreage allotment for 1952 and any subsequent year among
22 the counties in the State on the basis of the past acreage of
23 peanuts harvested for nuts (excluding acreage in excess of
24 farm allotments) in the county during the five years im-
25 mediately preceding the year in which such apportionment

1 is made, with such adjustments as are deemed necessary for
2 abnormal conditions affecting acreage, for trends in acreage,
3 and for additional allotments for types of peanuts in short
4 supply under the provisions of subsection (c). The county
5 acreage allotment shall be apportioned among farms on the
6 basis of the factors set forth in subsection (d) of this section.

7 “(f) Not more than one per centum of the national
8 acreage allotment shall be apportioned among farms on
9 which peanuts are to be produced during the calendar year
10 for which the allotment is made but on which peanuts were
11 not produced during any one of the past three years, on the
12 basis of the following: Past peanut-producing experience by
13 the producers; land, labor, and equipment available for the
14 production of peanuts; crop-rotation practices; and soil and
15 other physical factors affecting the production of peanuts.

16 “(g) Any part of the acreage allotted to individual
17 farms under the provisions of this section on which peanuts
18 will not be produced and which is voluntarily surrendered
19 to the county committee shall be deducted from the allot-
20 ments to such farms and may be reapportioned by the county
21 committee to other farms in the same county receiving allot-
22 ments, in amounts determined by the county committee to
23 be fair and reasonable on the basis of land, labor, and equip-
24 ment available for the production of peanuts, crop-rotation

1 practices, and soil and other physical factors affecting the
2 production of peanuts. Any transfer of allotments under this
3 provision shall not operate to reduce the allotment for any
4 subsequent year for the farm from which acreage is trans-
5 ferred, except as the farm becomes ineligible for an allotment
6 by failure to produce peanuts during a three-year period, and
7 any such transfer shall not operate to increase the allotment
8 for any subsequent year for the farm to which the acreage
9 is transferred: *Provided*, That, notwithstanding any other
10 provisions of this Act, any part of any farm acreage allot-
11 ment may be permanently released in writing to the county
12 committee by the owner and operator of the farm, and
13 reapportioned as provided herein.

14 “(h) Notwithstanding any other provision of this sec-
15 tion, the allotment determined or which would have been
16 determined for any land which is removed from agricultural
17 production in 1950 or any subsequent year for any purpose
18 because of acquisition by any Federal, State, or other agency
19 having a right of eminent domain shall be placed in a pool
20 and shall be available for use in providing equitable allot-
21 ments for farms owned or acquired by owners displaced
22 because of acquisition of their farms by such agencies. Upon
23 application to the county committee, within five years from
24 the date of such acquisition of the farm, any owner so dis-
25 placed shall be entitled to have an allotment for any other

1 farm owned or acquired by him equal to an allotment which
2 would have been determined for such other farm plus the
3 allotment which would have been determined for the farm
4 so acquired: *Provided*, That such allotment shall not exceed
5 50 per centum of the acreage of cropland on the farm.

6 "The provisions of this section shall not be applicable if
7 (a) there is any marketing quota penalty due with respect
8 to the marketing of peanuts from the farm acquired by the
9 Federal, State, or other agency or by the owner of the farm;
10 (b) any peanuts produced on such farm have not been
11 accounted for as required by the Secretary; or (c) the allot-
12 ment next established for the farm acquired by the Federal,
13 State, or other agency would have been reduced because of
14 false or improper identification of peanuts produced on or
15 marketed from such farm."

16 SEC. 2. Subsection (g) of section 359 of the Agricul-
17 tural Adjustment Act of 1938, as amended, is amended
18 (1) by adding after "1947" in the first sentence the words
19 "or 1948, if no peanuts were harvested on the farm in 1947",
20 (2) by striking out after the word "That," where it first
21 appears in the proviso, the following words: "for the 1950
22 crop", and (3) by inserting the following new sentences
23 after the fifth sentence: "As an alternative to designated
24 agencies paying the prevailing oil value for such excess pea-
25 nuts of any type in insufficient supply and the subsequent

1 distribution of sales proceeds therefrom in accordance with
2 the foregoing provisions of this subsection, the Secretary
3 may also authorize peanut buyers approved pursuant to regu-
4 lations of the Secretary to purchase such peanuts from pro-
5 ducers at prices not less than those at which such peanuts
6 may be sold for cleaning and shelling by the Commodity
7 Credit Corporation. In the event of such authorization by
8 the Secretary, producers shall have the option of either de-
9 livering such peanuts to designated agencies or selling such
10 peanuts to approved peanut buyers, and such sales to ap-
11 proved buyers shall have the same effect, with respect to
12 avoidance of the marketing penalty and classification of pro-
13 ducers as cooperators, as deliveries to designated agencies."

14 SEC. 3. The first sentence of section 363 of the Agricul-
15 tural Adjustment Act of 1938, as amended, is amended to
16 read as follows: "Any farmer who is dissatisfied with his
17 farm marketing quota may, within fifteen days after mailing
18 to him of notice as provided in section 362, have such quota
19 reviewed by a local review committee composed of three
20 farmers from the same or nearby counties appointed by the
21 Secretary."

82d CONGRESS
1st Session

H. R. 2615

A BILL

To amend the Agricultural Adjustment Act of
1938, as amended.

By Mr. COOLEY

FEBRUARY 13, 1951

Referred to the Committee on Agriculture

PEANUT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE AND FORESTRY

UNITED STATES SENATE

EIGHTY-SECOND CONGRESS

FIRST SESSION

ON

S. 742

A BILL TO AMEND THE AGRICULTURAL ADJUSTMENT
ACT OF 1938, AS AMENDED

FEBRUARY 19, 1951

Printed for the use of the Committee on Agriculture and Forestry



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PEANUT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

MONDAY, FEBRUARY 19, 1951

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D. C.

The committee met, pursuant to call, at 10 a. m., in room 324, Senate Office Building, Senator Allen J. Ellender (chairman) presiding.

Present: Senator Ellender (chairman), Hoey, Johnston, Holland, Anderson, Eastland, Aiken, Thye, and Mundt.

The CHAIRMAN. Let the committee come to order. We have for consideration this morning S. 742, introduced in the Senate on February 1st by Senator Hoey of North Carolina.

At this point in the record, I will ask that the bill be printed in full. (S. 742 is as follows:)

[S. 742, 82d Cong., 1st Sess.]

A BILL To amend the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

1. Subsection (c) is amended to read as follows:

"(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of two million one hundred thousand acres, or (b) the State's share of two million one hundred thousand acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the five years 1945-1949: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

"(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, adjusted for trends in yields and abnormal conditions of production affecting yields in such five years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-1952 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing

peanuts of such type or types on the basis of the average acreage of peanuts of such type or types in the three years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments."

2. Subsection (d) is amended by changing the second sentence to read as follows:

"(d) The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts."

3. Add new subsections (e), (f), (g), and (h) as follows:

"(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

"(f) Not more than one per centum of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

"(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

"(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

SEC. 2. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

1. Subsection (a) is amended by adding at the end thereof a new sentence as follows: "Notwithstanding any other provisions of this title, no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption."

2. Subsection (g) is amended by (1) adding after "1947" in the first sentence the words "or 1948, if no peanuts were harvested on the farm in 1947," (2) striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop," and (3) by inserting the following new sentences after the fifth sentence: "As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies."

SEC. 3. The first sentence of section 363 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary."

The CHAIRMAN. Senator Hoey, do you desire to make any preliminary statement?

**STATEMENT OF HON. CLYDE R. HOEY, A UNITED STATES SENATOR
FROM THE STATE OF NORTH CAROLINA**

Senator HOEY. Well, yes, sir, Mr. Chairman. I wish to say that this bill that I have introduced has been very carefully considered, both by the Department of Agriculture and the various farm agencies. I believe this bill has been generally agreed upon by the various agencies—at least, they will be present to testify, to give their versions of it. I believe we ought to have a hearing on it now because it is important to get this bill acted upon. The peanut season is approaching and the farmers need to know how many acres they can plant.

The CHAIRMAN. Speaking for myself, I am in hopes that something can be done, so that the farmers who can produce the so-called goober type of peanuts, and all the other edible types, can be permitted to plant all that the market will be able to dispose of. I think it is essential that we do that. I am in hopes that we will have the cooperation of all peanut growers, so we can work toward that end.

At this point in the record I will ask that the report of the Department of Agriculture, together with the attached schedule, be printed in the record in full.

I also ask that the following statement from the Department of Agriculture and a telegram addressed to Mr. James M. Kendall, Assistant Chief Clerk, dated February 15, and signed by W. B. Crawley, president, and E. K. Harrell, manager, GFA Peanut Association, and also a letter from the Florida Peanut and Feed Plants, addressed to Hon. Spessard Holland, United States Senator from Florida, dated February 6, 1951, and signed by J. Bennett Butler, manager, together with a proposed bill, be placed in the record at this point.

(The matter referred to is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington D. C., February 17, 1951.

Hon. ALLEN ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR MR. ELLENDER: In accordance with your request of February 2, 1951, there is submitted a report on a bill, S. 742, to amend the Agricultural Adjustment Act of 1938, as amended, with respect to peanuts.

This report deals primarily with proposed amendments to section 358 (C) of the act pertaining to the apportionment of the national peanut acreage allotments to States and possible "type" increases.

S. 742 amends section 358 (C) to apportion the national peanut acreage allotment for 1951, less the acreage to be allotted to new farms, among the States on the basis of the larger of the State's share of the 1950 national acreage allotment of 2,100,000 acres or the State's share of 2,100,000 acres apportioned on the basis of the average acreage harvested for nuts in each State in the 5 years 1945-49. The bill further provides that, for 1951, no State shall receive an allotment less than the allotment already announced under existing legislation. For years subsequent to 1951, S. 742 provides that the national acreage allotment, less the acreage to be allotted to new farms, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which an apportionment was made.

S. 742 also contains a provision which would permit the Secretary of Agriculture to increase the State acreage allotments for those States producing types of peanuts for which it is determined that the supply will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it. Under this provision, the State acreage allotment for any State could not be increased above the 1947 harvested acreage of peanuts in such State.

In order to indicate the possible effects of S. 742, there is attached a table entitled "Peanuts: Indicated 1951 Acreage Allotment Under S. 742." This preliminary table indicates the approximate State acreage allotments which would be determined for the 1951 crop under the proposed bill. State acreage allotments for 1951 prior to possible increases for "type" would be as shown in column 7 of the attached table.

Although S. 742 would allow much larger increases if warranted by demand, it has been assumed for ease of comparison that the same acreage of Virginia and Valencia types of peanuts would be made under either S. 742 or the Department proposal submitted to both houses of Congress with our letter of December 8, 1950. On the basis of this assumption, column 9 of the attached table shows the approximate manner in which 62,843 acres of additional Virginia- and Valencia-type allotment would be apportioned to States for 1951 under S. 742. In making this apportionment, we have ignored the fact that some States other than the five listed also produce some Virginia- and Valencia-type peanuts and would be entitled to their proportionate share of any over-all increase in 1951 allotments for these types.

In addition to the fact that the total increase itself is purely illustrative, it should also be pointed out that the basis for apportioning this increase to States, that is, the 1948-50 average acreages by types, are approximations which are subject to change.

As we interpret S. 742, it differs from the Department proposal in only two major respects insofar as the determination of acreage allotments are concerned. These differences are: (a) S. 742 provides that increases in State acreage allotments resulting from allotments already announced for 1951 will be considered in de-

termining State acreage allotments for future years, whereas under the Department proposal, these increases would not be considered in determining State acreage allotments after 1951, and (b) S. 742 makes allotment increases by "type" permissive and subject to determinations by the Secretary of Agriculture, whereas under the Department proposal, increases for Virginia- and Valencia-type peanuts are mandatory and automatic. Also, S. 742 limits "type" increases only to the extent that the allotment for any State may not be increased above the 1947 harvested acreage of peanuts in the State. Under the Department bill, the automatic and mandatory allotment increases for Virginia- and Valencia-type peanuts would limit increases to the extent that no State acreage allotment would be increased above its 1941 acreage allotment.

The Department has no objection to the method of apportioning the national acreage allotment to States as provided for in S. 742 although it would result in some differences in State acreage allotments for 1952 and subsequent years from those which would be determined under the Department proposal. For example, under S. 742, 1952 State acreage allotments would be determined by apportioning the national acreage allotment to States on the basis of the entries in column 7 of the attached table. Under the Department proposal, this apportionment for 1952 and subsequent years would be on the basis of entries in column 5.

The Department also agrees with the intent of the proposed subsection (C) (2) as contained in S. 742 which would permit increasing allotments for individual types of peanuts when it is determined that increases are needed in order to meet the edible demand for such types. Also, we believe that if a limitation is needed, the 1947 acreage picked and threshed would be an acceptable limit to which individual State allotments could be increased under this provision. However, this subsection as written places the authority and responsibility for type increases with the Secretary of Agriculture and we would prefer that the legislation contain specific provision for increasing the allotment for Virginia- and Valencia-type peanuts in much the same way as proposed in our letter of December 8, 1950. If legislation should be enacted placing this authority with the Secretary of Agriculture as provided in S. 742, the Department of Agriculture will administer the provision to the best of its ability on the basis of its analysis of the supply and demand for the various types of peanuts. It is suggested, however, that the committee consider amending the language in lines 11 and 12, page 3, of S. 742 to read "preceding the year in or for which the allotments are being determined." This language would permit the Department to use the most recent 3-year period for which data are available, whereas under the language as now written, the Department might not have the 3-year data referred to at the time State and farm acreage allotments are established. It is also believed that the committee might wish to insert language which would clearly eliminate "excess acreage" from the determination of the 3-year average acreage to be used as the basis for apportioning type increases to States and farms.

S. 742 meets the principal objectives of the Department of Agriculture insofar as peanut legislation is concerned and subject to consideration of the items mentioned above, the Department recommends that the bill be enacted.

There is urgent necessity for early action with respect to peanut legislation which would permit the increase of allotments for States and farms producing Virginia- and Valencia-type peanuts because the allotments determined pursuant to existing legislation have been reduced substantially below the acreage required to obtain production sufficient to meet the demand.

In view of the subsequent request, we are submitting this report without awaiting advice from the Bureau of the Budget as to the relationship of the proposed legislation to the program of the President.

Sincerely,

CHARLES F. BRANNAN, *Secretary*

PEANUT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

Peanuts: Indicated 1951 acreage allotments under S. 742

State and area	1945-49 straight average acreage	1950 acreage allotment prior to Public Law 471	2,100,000 acres appor- tioned on basis of 1945-49 average acreage	Larger of cols. (2) or (3)	First indi- cated 1951 acreage allotment ¹	1951 acreage allotment announced Oct. 26, 1950	Second indicated 1951 allot- ment ²	1947 acreage picked and threshed ³	Approxi- mate in- crease for types through proposed legislation ⁴	Third indi- cated 1951 acreage allotment ⁴
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Virginia.....	154,600	141,108	105,873	141,108	112,869	117,819	162,000	22,288	140,087	
North Carolina.....	287,600	225,702	196,955	225,702	180,535	188,451	292,000	37,089	226,140	
Tennessee.....	5,400	4,766	3,698	4,766	3,812	3,979	5,000	672	4,651	
Total Virginia-Carolina area.....	447,600	371,576	306,526	371,576	297,216	310,249	459,000	60,029	370,878	
South Carolina.....	27,200	18,375	18,627	18,627	14,809	15,342	26,000	1,665	17,007	
Georgia.....	1,046,600	701,400	716,733	716,733	573,301	585,638	1,124,000	---	585,638	
Florida.....	96,400	73,236	66,017	73,236	58,580	61,149	105,000	---	61,149	
Alabama.....	444,200	274,907	304,197	304,197	243,321	229,535	463,000	---	243,321	
Mississippi.....	15,400	9,272	10,546	10,546	8,436	7,742	15,000	---	8,436	
Total southeast area.....	1,629,800	1,077,190	1,116,120	1,123,339	898,537	899,406	1,733,000	1,665	915,551	
Arkansas.....	8,600	5,473	5,889	5,889	4,710	4,570	8,000	---	4,710	
Louisiana.....	4,000	2,506	2,739	2,739	2,191	2,092	2,000	---	2,191	
Oklahoma.....	241,400	183,600	165,316	183,600	146,858	153,298	325,000	---	153,298	
Texas.....	723,600	431,200	495,536	495,536	396,369	376,732	836,000	---	396,369	
New Mexico.....	10,000	5,959	6,848	6,848	5,478	4,975	14,000	549	6,027	
Total southwest area.....	987,600	648,738	676,328	694,612	555,606	541,667	1,188,000	549	562,595	
Arizona.....	500	960	342	960	768	801	500	---	801	
California.....	500	1,257	342	1,257	1,005	1,050	500	---	1,050	
Missouri.....	500	279	342	342	274	233	500	---	274	
Total others.....	1,500	2,496	1,026	2,559	2,047	2,084	1,500	---	2,125	
Acreage reserved for new farms.....	---	---	---	---	17,711	17,711	---	---	17,711	
Total United States.....	3,066,500	2,100,000	2,100,000	2,192,086	1,771,117	1,771,117	3,381,503	62,843	1,868,860	

¹ Col. 4 reduced proportionately to a United States total of 1,771,117 acres, with 17,711 acres reserved for new farms.² Larger of col. 5 or col. 6.³ Maximum acreage to which any State may be increased under "type" provisions of S. 742.⁴ Approximate and preliminary. For ease of comparison the increase of 62,843 acres is the same as assumed would be added by the proposal of the Department of Agriculture.

Source: Fats and Oils Branch, FMA Program Analysis Division, Feb. 15, 1951.

FLORIDA PEANUT AND FEED PLANTS,
High Springs, Fla., February 6, 1951.

HON. SPESSARD HOLLAND,
United States Senate, Washington, D. C.

DEAR SENATOR HOLLAND: I wrote you on February 1, enclosing a proposed bill which I thought would serve the growers of the State of Florida to a better advantage. At that time I asked you to give me to the end of this week so I would have time to discuss this proposed bill with some of the growers in this territory.

After discussing this matter with them we came to the opinion that the proposed bill that I furnished to you would serve to a much better advantage.

Trusting that you will be able to get this bill passed, and any additional information that I can furnish you will be glad to do so.

With kindest personal regards, I remain,
Sincerely,

FLORIDA PEANUT AND FEED PLANTS,
GEORGIA PEANUT CO., *Lessee.*
J. BENNETT BUTLER, *Manager.*

TO PERMIT THE TRANSFER OF PEANUT ACREAGE ALLOTMENTS

That section 358 of the Agricultural Adjustment Act of 1938 is amended by inserting at the end thereof the following new subsection:

"(e) Any part of the acreage allotted to individual farms in any county under the provisions of this section which will not be planted to peanuts for harvest may be voluntarily surrendered to the county committee for the current year prior to the normal planting date for peanuts in the county. The county committee may reapportion such released acreage to other eligible farms in the same county to the extent necessary to provide such farms as nearly as possible with fair and reasonable allotments on the basis of land, labor, equipment, crop rotation practices, and other physical factors affecting the production of peanuts. The farms for which the peanut acreage allotment is released for the current year will be considered as being eligible for a peanut acreage allotment as an old peanut farm until a period of three consecutive years have elapsed during which no peanuts in excess of one acre were grown for picking or threshing on the farm."

CAMILLA, GA., *February 15, 1951.*

JAMES M. KENDALL,
Assistant Chief Clerk, Senate Agriculture Committee:

Replying to your telegram of February 12, 1951. On January 8 the board of directors of GFA Peanut Association participated in the Farm Bureau meeting at the Raleigh Hotel in Washington and unanimously voted approval of the peanut bill as proposed in that meeting. After returning home and studying the matter more thoroughly, the board is still in favor of such a bill. This bill was thoroughly debated on the 8th and nothing has transpired since that would cause any substantial change in the thinking of the officials of the GFA Peanut Association. Since this telegram expresses the opinion of GFA Peanut Association, the board does not deem it necessary for any member of the association to appear and testify. We appreciate very much your calling this matter to our attention as we are vitally interested in this subject matter.

W. B. CRAWLEY, *President.*
E. K. HARRELL, *Manager.*
GFA PEANUT ASSOCIATION.

The CHAIRMAN. The first witness this morning is Mr. Woolley, Deputy Administrator of the Production and Marketing Administration, United States Department of Agriculture.

STATEMENT OF FRANK K. WOOLLEY, DEPUTY ADMINISTRATOR, PRODUCTION AND MARKETING ADMINISTRATION; GEORGE L. PRICHARD, DIRECTOR, FATS AND OILS BRANCH, PMA; GEORGE A. PARKS, JR., PROGRAM ANALYSIS DIVISION, FATS AND OILS BRANCH, PMA; AND JOSEPH A. MOSS, OFFICE OF THE SOLICITOR, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. WOOLLEY. Mr. Chairman, I have with me this morning from the Department Mr. George L. Prichard, who is the Director of the Fats and Oils Branch, which is the branch of the Production and Marketing Administration handling the work with respect to peanuts; and also Mr. George A. Parks, Jr., who is on Mr. Prichard's staff, and Mr. Joseph A. Moss of the Solicitor's Office of the Department. These gentlemen will be glad to assist me in answering any questions that you might have.

I am pleased to appear before this committee to give the views of the Department of Agriculture regarding peanut legislation, specifically, S. 742, introduced by Senator Hoey. The Department has filed a formal report with the chairman of this committee.

First, I would like to state that we in the Department of Agriculture feel there is an immediate and urgent need for amending peanut legislation to permit the production of larger quantities of Virginia- and Valencia-type peanuts which have been in short supply during the past two seasons. Any legislation which might require or permit increased allotments for these types of peanuts for 1951 or which in any way would revise other State-acreage allotments already determined and announced for 1951 will no doubt involve considerable work, particularly in the State and county offices in redetermining farm-acreage allotments. Therefore, any new legislation involving peanuts for 1951 should be enacted as soon as possible since it is important to peanut producers that any increase in allotments for 1951 be made as far as possible before planting time in order to permit farmers to plan their operations and obtain necessary seed, fertilizer, and equipment.

On December 8, 1950, the Department of Agriculture submitted a proposed bill to both Houses of Congress to amend the Agricultural Adjustment Act of 1938, as amended. This bill was designed to incorporate the desirable features of H. R. 9109, Eighty-first Congress, and to eliminate what we understood were the principal objections of the Senate Committee on Agriculture and Forestry to certain provisions of H. R. 9109. As we interpret S. 742, it differs from the Department proposal in only two major respects insofar as the determination of acreage allotments are concerned. These differences are: first, S. 742 provides that increases in State acreage allotments resulting from allotments already announced for 1951 will be considered in determining State acreage allotments for future years, whereas under the Department proposal, these increases would not be considered in determining State acreage allotments after 1951, and second, S. 742 makes allotment increases by type permissive and subject to determinations by the Secretary of Agriculture, whereas under the Department proposal, increases for Virginia- and Valencia-type peanuts are mandatory and automatic. Also, S. 742 limits type increases only to the extent that the allotment for any State may not be increased above the 1947 har-

vested acreage of peanuts in the State. Under the Department bill, the automatic and mandatory allotment increases for Virginia- and Valencia-type peanuts would limit increases to the extent that no State acreage allotment would be increased above its 1941 acreage allotment, which, incidentally, is smaller than the 1947 allotment.

The CHAIRMAN. Now, Mr. Woolley, is it your opinion that if we were to limit the acreage to the 1941 allotment it would not give ample acreage to provide for all the edible peanuts that the market can handle?

Mr. WOOLLEY. All peanuts are edible, but I presume you are referring to Virginia and Valencia peanuts and the evidence is rather clear that under present circumstances it might not. Therefore, to that extent, we believe that the 1947 harvested acreage is a better provision than the one we suggested. We also think, however, that the provision in H. R. 2615, that has been introduced in the House but has not been passed as yet, in which they do not put any limit on it, is a more desirable one than either one of these two proposals I have reference to.

The CHAIRMAN. To what extent would the 1947 provision increase the acreage over the 1941 provision?

Mr. WOOLLEY. Perhaps it would be better, Mr. Chairman, if we would wait and go through those statistics that I have offered in these tables, because we would get into an involved argument. This is the beginning of that type of discussion, so if it would be all right with you, we will just go ahead.

However, in answer to your question, for the three major States, North Carolina, Virginia, and Tennessee, the 1947 acreage totaled approximately 459,000 acres compared with a total 1941 allotment of 371,567 acres.

The Department has no objection to the method of apportioning the national acreage allotment to States as provided for in S. 742, although it would result in some differences in State acreage allotments for 1952 and subsequent years from those which would be determined under the Department proposal. They are very, very minor, however. The important point is that under S. 742, and also the Department of Agriculture proposal, the national acreage allotment actually determined for years subsequent to 1951 will not be exceeded in making initial apportionments to the States.

Senator ANDERSON. Just what does that mean?

Mr. WOOLLEY. That means you increase the base but you do not increase the allotment as is provided for in H. R. 2615. The net effect of H. R. 2615, which is the one that has been introduced in the House, is to add to the amount of acreage in the runner area and the Spanish area, whereas, this does not do that, neither one of these bills do that.

The CHAIRMAN. Do I understand that both bills increase the overall acreage of peanuts so as to obtain more of the edible type?

Mr. WOOLLEY. Both the Department proposal and S. 742 do that, and also H. R. 2615. The real question is whether or not you increase the runners also, and there is a minimum of increase in runners both in S. 742 and the Department proposal.

Senator AIKEN. Is there any legislation at all on the books which permits the Department to increase the quotas during an emergency? There is as to price, but is there as to acreage?

Mr. WOOLLEY. The circumstances do not warrant our taking them off.

Senator AIKEN. You are cutting more off one than off some other type?

Mr. WOOLLEY. Yes.

Senator ANDERSON. Your answer to Senator Aiken's question is there is no legislation on the books which permits you to increase the quota even in an emergency?

Mr. WOOLLEY. I will ask Mr. Moss to answer that.

Mr. MOSS. The law itself authorizes the Secretary to increase the national quota—and that includes all types—if he finds that, because of increased foreign demand, or because of a national emergency, such an increase should be made.

Senator AIKEN. That is under the AAA Act, the old law?

Mr. MOSS. Yes.

Mr. WOOLLEY. You understand we would have to increase the runners and Virginias equally the same. We would have to increase all peanuts. We could not increase the Virginias without increasing the runners also.

Senator JOHNSTON. You have to determine first whether there is a need for an increase?

Mr. WOOLLEY. Yes. My answer to that is we must make a determination that there is a need for increased production of peanuts all taken together by all types.

Senator AIKEN. Who makes that determination?

Mr. WOOLLEY. The Secretary of Agriculture would make it.

The CHAIRMAN. In other words, under the law as it now stands there would be no way to increase the growing of edible peanuts unless other types are also increased?

Mr. MOSS. All types, yes, sir.

The CHAIRMAN. All right.

Mr. WOOLLEY. We do not approve of legislation which would increase the national allotment and marketing quota year after year except for types which otherwise would be in short supply. The increases which the Department objects to would increase the quantity of peanuts which the Commodity Credit Corporation will be required to purchase and dispose of at a loss to the Corporation.

However, I think I should add right there we recognize that this is a very difficult question, to bring about equity among the various States, and we would not object to a small increase, on a reasonable basis, in order to compromise differences that exist between States, but we do not think it should be anything that would result in an unusual burden on Commodity Credit Corporation.

Senator AIKEN. Will the increase in the general types of fats and oils eliminate the likelihood of loss on the oil peanuts this coming season?

Mr. WOOLLEY. The current situation, as I understand it, is that last year we lost the equivalent of about \$100 a ton on farmers' stock peanuts, and this year we are running at the rate of about \$40 a ton.

Senator THYE. Mr. Woolley, what did it cost Commodity Credit to finance the entire peanut crop that had to be acquired?

Mr. WOOLLEY. Last year's losses of Commodity Credit Corporation were approximately \$40,000,000.

Senator THYE. \$40,000,000 on peanuts?

Mr. WOOLLEY. That is on the 1949 crop.

Senator THYE. Have you suffered a loss on the 1950 crop?

Mr. WOOLLEY. We anticipate our loss on the 1950 crop will amount to nearly \$20,000,000.

Senator AIKEN. In giving those figures you are not making any allowance for peanuts taken off of the market by the ECA or the armed services?

Mr. WOOLLEY. As I understood the Senator's question, it had to do directly with respect to Commodity Credit Corporation. The answer is "Yes."

Senator THYE. Was there much that was turned over to the ECA?

Mr. WOOLLEY. Not a great deal. I believe I gave Senator Anderson a statement on that sometime back. I think it is unfair, in the abstract, to say everything that went through ECA necessarily constituted a subsidy to peanuts. It helps peanuts and it has the effect of supporting the price, but if you take that attitude with respect to peanuts you have to take it with respect to everything else that ECA ships abroad.

Senator THYE. That is true, but even when we suffered that much loss on the runner type of peanut we were short of the edible type, or the jumbo type peanut. We had a program that had a couple of flat spots in it. We were short of the type of peanut that the candy processor was looking for, in a higher cost level than was reasonable, but at the same time we were compelled to suffer a loss on the oil-type peanuts. Some of us have recognized it and have complained about that in the past two or three years.

The CHAIRMAN. Mr. Woolley, could you give us the losses sustained by the Government on each type of these peanuts?

Mr. WOOLLEY. No, sir.

The CHAIRMAN. Have you got it separated?

Mr. WOOLLEY. No.

The CHAIRMAN. How much losses, if any, were sustained by the Government on the edible type of peanuts?

Mr. WOOLLEY. We can give you what our oil losses were on the Virginia-type peanuts, which are the No. 2 peanuts. In fact, we supplied that for the record in the House. I have it right here, Mr. Chairman, and I will be glad to give it to you.

The CHAIRMAN. The reason I am asking the question is that I have heard from many sides that if the grading of these edible peanuts is permitted to the extent that the market can absorb it, the Government will not lose a dime. Is that true or is it not true?

Mr. WOOLLEY. No, that is not right. Under the law we are now, in the program the way it is presently designed, supporting all merchantable peanuts, and when we support all merchantable peanuts, that includes some of the lower-quality Virginia peanuts that go into oil, that do not go into the edible trade, and we do lose something on those. So to the extent we increase the production of Virginia peanuts we will have some losses with respect to oil.

The CHAIRMAN. Are you able to give us for the record the proportionate losses on the oil type peanuts, and the edibles, the ones you are now asking that we increase?

Mr. WOOLLEY. Yes. This gives you some appreciation of it. Shelled peanuts purchased through the No. 2 program, which is a program for diversion to oil, follows: Virginia-Carolina area—which is

the Virginia type—we purchased 17,870,000 pounds of the 1950 crop through February 3, 1951.

The CHAIRMAN. Why did you do that? Was it more profitable to the farmers to let the Government take them over than to sell them to the market?

Senator AIKEN. Was it profitable to the shellers?

The CHAIRMAN. I would like him to answer my question first. I would like to explore that.

Senator AIKEN. He can answer both of those questions.

The CHAIRMAN. Yes.

Mr. WOOLLEY. The answer is when you agree to support all of the edible or marketable peanuts, then one year you may have a higher percentage of the No. 2 peanuts than you do in another year, and depending upon what percentage you have in No. 2 peanuts, then you have that much oil. It runs higher and lower, depending upon the crop year that you go to.

Senator HOLLAND. May I ask him a question?

The CHAIRMAN. Yes.

Senator HOLLAND. Your answer means No. 2 peanuts, even of the Virginia type, are not acceptable to the candy trade and the high-class trade, they want the No. 1 Virginia peanuts, is that correct?

Mr. WOOLLEY. That is correct, the No. 1 or better grades.

Senator HOLLAND. Well, your No. 2 jumbo peanuts, or Virginia peanuts, do not move to the preferred trade but they are bought in by the Commodity Credit Corporation and diverted to the oil mills, is that correct?

Mr. WOOLLEY. No, sir. The jumbo peanuts—as they are separated from the other types of Virginia peanuts—all of them move into the edible trade. It is only the residue of the Virginia type peanuts that goes into oil.

Senator HOLLAND. What is the jumbo peanut? Is it a grade or a variety?

Mr. WOOLLEY. It is a grade of peanut, and only the Virginia peanuts produce the Jumbo as a grade.

Senator HOLLAND. The Jumbo is a grade and not a variety. It is the No. 1 grade of the Virginia variety, is that it?

Mr. WOOLLEY. It is the highest grade.

Senator AIKEN. Could you tell us something about the report that shellers made more handling the lower grade peanuts than they did in handling the higher grade?

Senator HOLLAND. Mr. Chairman, if I may ask one more question, I will be through, if you don't mind waiting.

Senator AIKEN. Very well.

Senator HOLLAND. Yes say 17,000,000 pounds of the second grade, Virginia peanuts, the grade under Jumbo, were bought by the Commodity Credit, is that correct?

Mr. WOOLLEY. That is correct, sir.

Senator ANDERSON. What was the total crop?

Mr. WOOLLEY. The total crop in that year?

Senator ANDERSON. Yes, how much of it was second grade?

The CHAIRMAN. What percentage of it?

Mr. WOOLLEY. That is a very, very small percentage of the total crop.

The CHAIRMAN. You mean of edible peanuts?

Senator ANDERSON. Yes.

The CHAIRMAN. What percent was the 17,000,000 pounds of the entire production of the edible peanuts?

Mr. WOOLLEY. Just a second and I can give it to you. It is a very small percentage of the edible type peanuts.

The CHAIRMAN. If you do not have the figures available now will you kindly put them at this point in the record?

Mr. WOOLLEY. Yes.

Senator ANDERSON. Mr. Woolley, I ought to explain the reason for my question.

The CHAIRMAN. Senator Holland, are you through?

Senator HOLLAND. Yes, I yield to Senator Anderson. I wanted to develop this question so we can see just how this program has affected the large peanuts. We want to be fair to them. I would like to know how much loss the Commodity Credit Corporation has suffered, and the question of Senator Anderson simply brought out one of those details and I yielded for that purpose.

Mr. WOOLLEY. If you will let me give the rest of the figures it will probably clear it up. It is slightly more than 10 percent of the total No. 2 shelled peanuts that we had as the result of the 1950 purchases. This is a report on the quantity of peanut purchases through February 3, 1951 by the Commodity Credit Corporation from the 1950 crop of peanuts, and it was 17,870,000 from the Virginia-Carolina area. It was 108,733,000 from the southeast area and 28,860,000 from the southwest area or a total for the United States of 155,463,000. So only 17,870,000 was from the Virginia-Carolina type peanuts.

Senator ANDERSON. How much was that of the total peanut crop?

Mr. WOOLLEY. I am trying to remember that figure.

Senator HOLLAND. Mr. Woolley, since you have approached it the way you have, let me nail that figure down.

Mr. WOOLLEY. All right.

Senator HOLLAND. As I understand it now, the Commodity Credit Corporation purchases of No. 2 peanuts, both Virginia peanuts and all peanuts, of the 1950 crop, up to the date in 1951 that you mentioned, showed 17,000,000 pounds of those No. 2's to come from the Virginia area.

Mr. WOOLLEY. That is correct.

Senator HOLLAND. And all of the rest, the total being one hundred and fifty million-odd, including the 17,000,000, to have come from all other areas of the Nation; is that correct?

Mr. WOOLLEY. That is correct.

Senator HOLLAND. Then the Virginia No. 2's comprise something like 12 percent of the total; is that correct?

Mr. WOOLLEY. I think 11 percent would be a little closer.

Senator HOLLAND. 11 to 12 percent.

Mr. WOOLLEY. That is right.

Senator HOLLAND. Now, the question that Senator Anderson asked you was what percentage of the Virginia production constituted No. 2 peanuts which were bought by Commodity Credit. Can you now give us that figure.

Mr. WOOLLEY. I do not have that figure with me. I will have to supply that for the record.

Senator HOLLAND. Mr. Chairman, I understand that Mr. Woolley will supply that figure for the record, which will show the percentage

of the total Virginia production which is represented by the 17,000,000 pounds of No. 2 of the Virginia production acquired by the Commodity Credit Corporation. You will furnish that figure, will you?

Mr. WOOLLEY. I will be happy to.

(The information referred to appears at the end of Mr. Woolley's testimony.)

Senator HOLLAND. One more question. Have you completed your disposition of Commodity Credit acquired 1949 peanuts so that your \$40,000,000 loss is the total figure?

Mr. WOOLLEY. Yes, sir, that is the approximate figure.

Senator HOLLAND. In other words, \$40,000,000 is the total loss of Commodity Credit from the price support program for peanuts of all kinds for the 1949 production year; is that right?

Mr. WOOLLEY. That is correct, sir.

Senator ANDERSON. What about the section 32 funds?

Mr. WOOLLEY. He said the Commodity Credit Corporation price support.

Senator HOLLAND. All right. Then the next question would be how much loss, if any, needs to be added to that \$40,000,000 to reflect peanuts handled under the section 32 funds, or peanuts disposed of under ECA?

Mr. WOOLLEY. I gave a very detailed statement on this to Senator Anderson. These are the latest figures I have, but they are not in exactly the same form as I gave them to him, but the figures we have show that we had an export program in 1950 on the 1949 crop which amounted to \$4,559,192.

Senator HOLLAND. Now, may I bring this out: That was a subsidy and that was the complete loss, was it, the \$4,559,000?

Mr. WOOLLEY. That was the subsidization of the export of peanuts and was not a charge against Commodity Credit Corporation, and was carried out under that provision of section 32 relating to our matching any amount that another Government agency puts up for the exportation of a commodity.

Senator HOLLAND. But will you answer my question? That was a complete loss? That represents a loss, does it not? That is a subsidy pure and simple?

Mr. WOOLLEY. I do not like to characterize it as a loss. It is an expenditure under section 32 to export peanuts, in the acquisition of foreign markets, which we think does not constitute a complete loss. We think it is doing the American farmer a lot of good to acquire those markets over there. You can add it to our Commodity Credit Corporation loss in one way, in thinking about it, but that is predicated on the assumption that everything we spend under section 32 is a complete loss, and I do not like to characterize it as a loss.

Senator HOLLAND. To state it another way, when the \$4,559,192 was spend under section 32, or out of section 32 funds, to subsidize the export of No. 2 peanuts, there were not any peanuts acquired by Commodity Credit Corporation, or any other value acquired, unless it be good will that might possibly come out of the expansion of foreign markets; is that correct?

Mr. WOOLLEY. That is correct, sir.

Senator HOLLAND. All right.

The CHAIRMAN. Mr. Woolley, would you be able to answer this question for me: Suppose we were to pass a bill in order to permit the

drawing of all edible peanuts necessary to fill the demands of the market, how much of the quantity of peanuts produced would have to be subsidized? What percentage, in other words, would go into oil? I would like to get that straight. I have heard from many centers, on the floor and off the floor, that if we permit the growing of all the edible peanuts necessary, that it will not cost the Government a dime. I would like to explore that. In other words, what is the consumption requirement in pounds, let us say, for edible peanuts?

Mr. WOOLLEY. Well, the way we measure what the situation is in respect to edible peanuts is that there is a tremendous spread between the price of the edible peanuts and the oil peanuts. All peanuts are edible, but the price of premium grade Virginia peanuts is in excess of the support price as well as the price for other types of peanuts.

The CHAIRMAN. The price to whom? To the consumer?

Mr. WOOLLEY. That is correct.

The CHAIRMAN. And how about the Government subsidy? That does not come in there, does it?

Mr. WOOLLEY. The Government subsidy has nothing to do with the price of the premium grade Virginia peanuts at all.

The CHAIRMAN. Can you tell us in round figures how many peanuts are necessary to be grown to support the market demand for edible peanuts; that is, the type that we are now seeking to grow?

Mr. WOOLLEY. I will ask Mr. Parks to answer that.

Mr. PARKS. Our national marketing quota for all types of peanuts is 650,000 tons, and for the Virginia and Valencia types, we do not have that figure broken down at the moment. I think we could give you a good approximation for the record.

The CHAIRMAN. The Department is coming here before us and is suggesting to us that we ought to permit the growing of so many peanuts for edible purposes, that is, of the Virginia type. Do you know what that is?

Mr. WOOLLEY. What we do know, Mr. Chairman, is that in 1950 the law provided for the—

The CHAIRMAN. Mr. Woolley, we are not considering the law of 1950. What I would like to find out is, suppose you were asked to permit the growing of so many pounds of edible peanuts, of the Virginia type, so as to meet the market demands, how many pounds would you require? That is what I would like to find out. I think it is a simple question. Can't you tell us about it?

Mr. WOOLLEY. We don't know the direct answer to that question in the terms that you have put it. What we do know is we have not produced in excess of what the market would take at prices which were very much higher in 1950, and in 1950 we produced in excess of what we produced in 1941. So that is the reason we make the statement that we believe that you ought to have a provision in the law that will permit the Secretary of Agriculture to make a determination, to arrive at an answer to the question each year, and then go ahead and permit acreage which will bring about the production of that many peanuts.

The CHAIRMAN. I was under the impression when you come to us and request that we increase this acreage, that you must have a figure to support it.

Mr. WOOLLEY. We would have to make a determination. We have not made that determination.

The CHAIRMAN. If you can do it, I wish you would make an estimate of what the Department thinks ought to be grown, that is, the amount of poundage that the market could absorb, and then the next question would be how much of the entire amount grown would go into oil that would be subsidized by the Government.

Mr. WOOLEY. That would vary from year to year, Mr. Chairman, depending upon the circumstances.

Senator AIKEN. May I ask a question, Mr. Wooley. Is the margin to the shellers and handlers the same for oil peanuts as for No. 1 peanuts, either No. 1 or No. 2, or the runner type?

Mr. WOOLEY. I would like to have Mr. Prichard answer that question.

Senator AIKEN. I am asking that because the report has been prevalent that shellers could make more by diverting more peanuts into the oil crop, and therefore they had not been grading as closely as they might have.

Mr. PRICHARD. I will answer it this way, Senator: We have no exact data on the margin for peanuts that the shellers and crushers handle.

Senator AIKEN. You do handle the peanut crop through the shellers?

Mr. PRICHARD. We do take the surplus production, that is, the surplus of edible demand, off the market by purchasing the so-called No. 2 peanuts from shellers, and these purchases are made at a price which we believe is cheaper to CCC than purchasing and handling an equivalent quantity in the form of farmers stock.

Senator AIKEN. That is not the question. The question is, does the sheller make more money on No. 2 peanuts than handling the No. 1 peanut?

Mr. PRICHARD. I was coming to that. We buy the No. 2 peanuts at a price which is cheaper to CCC than it would be to buy the farmers stock directly from the farmer, to warehouse and sell the farmers stock peanuts for crushing. I think that in itself answers the question whether the sheller makes more off of shelling No. 2 than No. 1.

Senator ANDERSON. Not at all.

Senator AIKEN. It does not even start to answer the question. The question is, does the sheller make more in handling No. 2 peanuts than he does in handling No. 1. The reports that I get—and I have some reason to believe that there is some degree of accuracy to them—indicate that the sheller has made more money by diverting peanuts to oil. In fact, the figures are something like \$10 a ton profit on the oil peanuts and \$4 on the edible peanuts. I do not recall that exactly and I would not want that to be taken as gospel.

Mr. PRICHARD. I would like to see those figures. We do not have anything to substantiate it.

Senator ANDERSON. Do you know whether he does or does not?

Mr. PRICHARD. No; Senator.

Senator ANDERSON. Let us ask the next question.

Mr. PRICHARD. We have no exact information. I am giving you my idea and my idea only.

Senator AIKEN. Isn't it important to know whether you are making such terms with the handlers and shellers that they are encouraged to divert more peanuts which might otherwise be edible to the oil type?

Mr. PRICHARD. I think we will have to go into two things there. Up to the 1950 crop our surplus was so large that the primary point of consideration was what was cheapest to Commodity Credit Corporation. For 1950, you may recall, our original crop report was much smaller than it finally turned out to be.

Senator AIKEN. If the shellers made twice as much by diverting peanuts to oil from the edible market, would not that accentuate the shortage in the peanut crop for the edible trade?

Mr. PRICHARD. I was going to answer that, Senator. For the 1950 crop, which was a much smaller crop as originally estimated, we limited the quantity of No. 2 peanuts that we would buy from any sheller. That limitation was based upon the estimated surplus of the crop. The crop report has gone up and up.

Senator AIKEN. What was the percentage of the crop that you would consider No. 2 peanuts? What was the maximum?

Mr. PRICHARD. I would have to give you that. It varies by types. Do you have the limitation on No. 2?

Mr. PARKS. No.

Mr. PRICHARD. I can supply that. It has been increased once, and I think we will increase it some more, because of the increase in crop.

Senator AIKEN. What was that increase in percentage?

Mr. PRICHARD. That is an increase in pounds for each 1,000 pounds of No. 1 sold into the edible trade.

Senator AIKEN. What would that be? Some of your men must have some idea on the percentage that you would accept as No. 2 peanuts. I take it that that was a maximum percentage.

Mr. PRICHARD. That was the maximum.

Senator AIKEN. Was it 25 percent?

Mr. PRICHARD. That is an increase by pounds. Then we have also increased it by agreeing to buy so many pounds of No. 2 peanuts for each ton of farmers' stock which the sheller purchased.

Senator AIKEN. Suppose the farmer raised all No. 1 peanuts? I don't know what percentage of them are No. 1, but suppose the crop was nearly all No. 1, or maybe half No. 2, would your percentage still hold?

Mr. PRICHARD. I think I should make it clear to you at this point, Senator, that these No. 2's are not always what is graded strictly out as No. 2 quality. It represents the surplus nuts in the form of shelled nuts rather than in the form of farmer stock.

Senator AIKEN. There has been no surplus in the Virginia-Carolina peanuts, there is no excuse for getting any of those, except the strictly No. 2, in the oil peanuts.

Mr. PRICHARD. That is right.

Senator THYE. The No. 2, are they illustrated here in these three boxes [indicating]?

Mr. PRICHARD. No.

Senator THYE. Would the No. 2 be a broken, cracked peanut, or off-size peanut?

Mr. PRICHARD. The damaged, shriveled and broken or split peanuts.

Senator ANDERSON. Have you found out yet how much of the crop that is?

Mr. PRICHARD. No, sir; we do not have that yet. We are getting those figures in now on the grade certificate for the crop.

Senator ANDERSON. Could not you telephone and get it?

Mr. PRICHARD. Yes.

Senator ANDERSON. The point I am trying to get to is this: On the Virginia-Carolina peanuts the loss was just under \$5,000,000 on 379,000 acres, or an average loss of \$13.02 per acre, which was higher than the loss on the Valencia per acre, where they were apparently moved into the shelling area, into the crushing area. Now, how did you happen to lose \$13 an acre when you were only picking up the No. 2? Were there that many No. 2 among their peanuts?

Mr. PRICHARD. Yes; I think that is right.

Senator ANDERSON. If you had taken off all this, then the farmer must have had quite a little in No. 2 peanuts.

Senator AIKEN. What is the price of No. 2 peanuts?

Mr. PRICHARD. You mean, what do we pay or what is the value?

Senator AIKEN. What do you pay to incur this \$13 per acre loss?

Mr. PRICHARD. We pay a varying price. It averages about 15¼ or 15½ cents a pound.

Senator AIKEN. For No. 2 peanuts?

Mr. PRICHARD. For No. 2 peanuts. That is what we pay.

Senator THYE. What is the average yield per acre? You have given us the price at 15 cents a pound. What is the average yield per acre? How many pounds of peanuts do you normally get per acre?

Senator ANDERSON. He gets about 1,000 pounds per acre.

Mr. WOOLLEY. It was less than that. The 1949 crop was 804 pounds per acre.

Senator ANDERSON. Of Virginia-Carolina peanuts?

Mr. WOOLLEY. This is all peanuts.

Senator ANDERSON. The question was, what is the average Virginia-Carolina outturn per acre.

Mr. PARKS. The 1939-48 average in the principal Virginia producing areas was 1,159 pounds of farmer stock peanuts per acre.

Senator ANDERSON. In 1949 it was way over 1,000 pounds, wasn't it?

Mr. PARKS. The 1949 crop was 1,169 pounds, and the 1950 crop was 1,217 pounds.

Senator ANDERSON. That is right.

Senator AIKEN. That is, about 7 or 8 percent of the crop is No. 2, if it cost \$13 an acre at 15 cents a pound.

Senator HOLLAND. Mr. Chairman, the figures he introduced a while ago indicated he was buying from 11 to 12 percent of the crop of the Virginia-type peanuts. Is that correct, Mr. Woolley?

Mr. WOOLLEY. That is 11 to 12 percent of all of the No. 2 we bought were Virginia-type peanuts.

Senator HOLLAND. What is the percentage of the Virginia-type peanuts? Have you got that figure yet?

Mr. PRICHARD. The 1950 crop was 473,290,000 pounds, farmers' stock.

Senator ANDERSON. Virginia-Carolina peanuts?

Mr. PRICHARD. That is in the principal area of Virginia-Carolina.

Senator ANDERSON. How much of that did you dispose of in pounds. Seventeen million pounds?

Mr. PRICHARD. Roughly 17,000,000.

Mr. WOOLLEY. Almost 18,000,000.

Mr. PRICHARD. That is equivalent to approximately 24,000,000 pounds of farmer stock, if you convert them.

Senator ANDERSON. Which is about 5 or 6 percent.

Senator AIKEN. Two or three percent?

Senator ANDERSON. About 5 percent.

Mr. WOOLLEY. Ten percent would be 47,000,000, so 24,000,000 would be about 5 percent.

Senator ANDERSON. So only 5 percent of the farmers' crop was bad, is that correct. Five percent was damaged, or inferior, or whatever you want to call it?

Mr. WOOLLEY. That is right.

Senator ANDERSON. Five percent of his crop was No. 2, and we lost \$13 an acre on that 5 percent of his crop, is that correct?

Mr. PRICHARD. Is the \$13 figure the 1950 figure?

Senator ANDERSON. This is the December 15 figure which is in the Congressional Record. The loss in the western area was only \$11 an acre.

Mr. PRICHARD. This is the 1949 crop.

Senator ANDERSON. I realize that, and you can't give me the figures for 1950, because you haven't sold them yet. So we are dealing with the only figures we can deal with. Can we deal with the 1950 figures?

Mr. PRICHARD. No.

Senator HOLLAND. The 1949 figures were the figures from which the 17,000,000 was derived?

Mr. PRICHARD. No, the 17,000,000, Senator, was the 1950 poundage.

Senator ANDERSON. May we have the 1949 figure for No. 2 peanuts?

Mr. WOOLLEY. We will be glad to give you that. What we brought you is the figures they asked us for in the House.

Senator ANDERSON. You have supplied a table, which has been put in the record, supplied in the letter of December 15, by Mr. Lionel C. Holm, which shows there were three losses that were listed in table 1 of his letter, which figure up to the \$40,000,000 loss that you have given us. Of that \$4,933,070 came from the Virginia-Carolina area, which represented a loss per acre of \$13.02 for every acre of peanuts grown. That only represents 5 percent of the crop. I assume we are to understand from that that the farmer harvested 95 percent of his crop, and disposed of it on the regular channels, into the peanut trade. How much did he get for that? What was the price when he sold the peanuts as regular No. 1 peanuts?

Mr. WOOLLEY. The price for Virginia-type shelled peanuts from the 1949 crop was as high as 28 cents.

Senator ANDERSON. It is an average of around 25 cents, or 23 cents, something of that nature, that he got for them.

Mr. WOOLLEY. The figure I have in mind is that the price ranged all the way from 18 to 28 cents. Just as to how you would weight that, I don't know, whether it comes out 22 or 23 cents, somewhere in there.

Senator ANDERSON. I am trying to get to the question that Senator Ellender raised, as to whether or not you can run this program so it will not cost the Government anything. My understanding is they raise as much as 1,000 pounds of peanuts, and they get about \$225 to \$250 an acre, and we bought the No. 2 peanuts, and on those we lost \$13 an acre. What did we pay the farmer for the No. 2 peanuts?

Mr. WOOLLEY. The price support in 1949?

Senator ANDERSON. Yes.

Mr. WOOLLEY. The price support level was 10.5 cents per pound.

Senator AIKEN. Is that the No. 2 peanuts?

Mr. WOOLLEY. That was for all of his marketable peanuts.

Mr. PRICHARD. The farmer's stock peanuts.

Mr. WOOLLEY. The farmer's stock peanuts.

Senator AIKEN. What did you pay for the oil peanuts? Has there been any change in the method of handling the peanuts between the 1949 and the 1950 crops?

Mr. PRICHARD. Not in principle, no. There was no upward adjustment in price for No. 2 peanuts. In fact, the CCC price for No. 2 Virginia-type peanuts from the 1950 crop is less than for the 1949 crop.

Senator ANDERSON. If this bill is passed that we are discussing here, that is to increase the acreage of Virginia-Carolina peanuts, for every acre you increase, you are going to add so much more to the cost for the No. 2 peanuts.

Mr. WOOLLEY. Not necessarily, because the crop is determined by weather conditions. You may have a lot of shriveled peanuts one year, or No. 2 peanuts, and the next year you may have very few.

The CHAIRMAN. There will be a loss every year of some kind. It is just the degree of loss that you are describing now?

Mr. WOOLEY. That is right.

The CHAIRMAN. May I ask one question there? Why cannot No. 2 peanuts be used the same as No. 2 commercial potatoes, and cut the subsidy out altogether?

Senator AIKEN. Why are you required, in the ordinary course of events to buy the peanuts which are the worthless part of the crop? Since 95 percent are good, why are you required to buy the 5 percent?

Mr. WOOLLEY. There is the farmer stock on the one hand, and the shellers on the other hand.

Mr. PRICHARD. The reason for buying No. 2, or the reason for buying any surplus is the fact that, because of the minimum acreage allotment specified in the law, we had a big surplus of peanuts in total, and we used what was the most economic method of removing the surplus, and making a better quality product available in the edible channel. The whole thing was based on the fact that we had a tremendous surplus of peanuts, and the law gave us no distinction between types of peanuts.

Senator AIKEN. Were we obliged to buy the unmarketable peanuts?

Mr. PRICHARD. We were obliged to support the farmer at 90 percent of parity on peanuts.

Senator ANDERSON. That is the point, 90 percent of parity. He got 1,200 pounds of peanuts, or 1,100, something like that, and 95 percent of them brought way above parity, and 5 percent were a drag on the market. Do you have to go in then and support that 5 percent?

Mr. PRICHARD. The point I want to make, Senator Anderson—

Senator ANDERSON. If I can get an answer to that, I would appreciate it.

Mr. WOOLLEY. The answer is "Yes," in this respect: We have no prerogative to say, whenever a person is offering something, that we will give him support on a certain portion only, we have the responsibility of supporting what he offers.

Senator ANDERSON. Suppose we have a support program on eggs and he sells grade A eggs above the market, and he has a lot of bad

eggs, or a lower grade of eggs, are we required to support the remainder only? Are we required to support the lower grade eggs? Or to get to another case, if we have a support program on corn, and he has a lot of very good corn, and sells a tremendous lot of very good corn at high prices, and he has a little moist corn, can he sell the good corn above parity and then get support on the moist corn?

Mr. WOOLLEY. No.

Senator ANDERSON. That is the question we have here. If you do it in peanuts, why don't you do it in corn?

Mr. WOOLLEY. I think Mr. Prichard will explain how the program works.

Senator ANDERSON. That is the question I want answered, and if you can answer it, it would be wonderful.

Mr. PRICHARD. We were faced with a tremendous surplus of peanuts in total. We had a minimum acreage specified by the Congress, 2,200,000 acres, and we had to support the price to the farmer, we were obligated to, on the production from the 2,200,000 acres.

I do not think No. 2 peanuts which is a grade applying to shelled peanuts should be confused with lower grades of corn, for example. All peanuts are marketed by the farmer in the form of farmers' stock in the hull and regardless of types or grade of the farmers' stock, they all contain varying percentages of the different grades of shelled peanuts, including No. 2's.

We took, as I pointed out, steps that we think, and I think we can prove, were the cheapest to Commodity Credit Corporation. When we deal with peanuts in total, we have to consider the No. 2 Virginias in relation to the runner and Spanish, where we had big surpluses.

Senator ANDERSON. Did you have a market for every pound of those No. 2 peanuts, if you wanted to put them some place besides crushing?

Mr. PRICHARD. No, sir; not at prices equal to or above the price paid by CCC.

Senator ANDERSON. If they were willing to pay 28 cents for No. 1, do you suppose anybody was willing to pay more than 10 cents for No. 2?

Mr. PRICHARD. I can answer that this way: We paid somewhere around 15 cents for the No. 2.

Senator AIKEN. What did you sell them for?

Mr. PRICHARD. At varying prices, depending on the oil and meal markets.

Senator AIKEN. Did you go down to 5 cents?

Mr. PRICHARD. Not that low, I don't believe, Senator.

Senator THYE. May I ask a question at this point? If you paid 15 cents for those No. 2, and the trade making candy and making edible food products needed the peanuts, did you have a buyer who was willing to take the No. 2 at the 15 cents that you had paid? Did you endeavor to find a buyer, or did you just divert them to the oil presser and get oil out of it, without knowing that the trade was willing to pay you 15 cents for the peanuts?

Mr. PRICHARD. We diverted it because there was no place for the sheller to sell it except to us. Had there been another buyer that would pay them more, the other buyer would have gotten those peanuts.

Senator THYE. It is obvious that the processor had the peanuts, and you purchased the peanuts because you paid him what he asked, and he made oil and cake, and it was the most convenient thing for him to do. But the man that made candy and the man that was making edible food products, he could not find any peanuts, and did not have the peanuts offered to him. I think you missed out on that particular transaction.

Mr. PRICHARD. I don't believe so, with the surplus conditions we had prevailing then, Senator.

Senator THYE. We did not have a surplus in the edible peanuts. Every processor I came in contact with last year said he was forced to go on the market and buy all the peanuts he could get his hands on, in order to secure a sufficient supply of peanuts. The processors told me, and I have files full of their letters, that they were short of the edible peanuts, the Jumbo Virginia peanuts. If that was the case, and you permitted the processor to put some of the peanuts into oil and cake, I think you missed on it.

Mr. PRICHARD. We have not put the Virginia premium grade peanuts into oil and meal.

Senator THYE. I did not mean premium peanuts. You paid 15 cents for No. 2, or for that which did not classify as No. 1, or did not classify as the premium peanuts. You bought them in at 15 cents, and you did not ascertain whether the processor was willing to pay you 15 cents, and use it for edible purposes. You just let the processor go ahead and make oil and cake out of them, and you paid the deficit.

Mr. PRICHARD. It was obvious there was no market for that quality of peanut.

Senator THYE. But the trade was asking for it.

Mr. PRICHARD. I haven't heard the trade asking for the No. 2 peanuts. The trade was asking for the better grade of peanuts.

Senator ANDERSON. Have you any information that they were not asking for it? As Senator Thye has pointed out, we have endless letters from people who wanted to obtain that type of peanut and they could not get them.

Mr. PRICHARD. Senator, we have not had that type of complaint from anyone. I think I am correct in saying to you the No. 2 program, the removal of that quality peanut has been recommended to us by all segments of the peanut trade. I think there are some shellers and others present who can speak on that question.

Senator ANDERSON. Did we get an answer to this question: When 95 percent of the crop is sold at prices above parity, and you are in a 90-percent-support program, is there the obligation to support the balance of the crop?

Mr. PRICHARD. I thought I answered that, Senator, that we had big surpluses, and we were removing the surplus in the form of poor quality peanuts.

Senator ANDERSON. I wanted an answer to that question. Can't the Solicitor's office answer: When 95 percent of the crop is moved at far above parity, and your obligation is to give only a 90 percent of parity support, must you then take off that 5 percent of inferior peanuts?

Mr. Moss. I cannot answer that question.

Senator ANDERSON. Why not?

Mr. Moss. I do not work on the price-support program.

Mr. WOOLLEY. I can answer that, Senator Anderson. You know that the law requires us to announce the price-support program as far in advance of the planting season as we can.

Senator ANDERSON. That is right.

Mr. WOOLLEY. In order that the farmer can plan his operation, in order that he may know what he can count on, we have to devise the program before the crop is planted, before it begins to be marketed. If the crop turns out to be in short supply of the premium-type peanuts, we would have no way, at the setting of the program, to figure out any such thing as that.

Senator ANDERSON. You have to support enough of the crop so that the farmer gets 90 percent across the board, but you do not have to guarantee him 105 percent, do you, under the law?

Mr. WOOLLEY. I don't know how we can rig up the program at the outset to say to a producer that "If you have a market for your peanuts that is higher than the price support, and the amount you market equals the amount you want to turn over to us, we won't give you any support on the amount you want to turn over to us." I don't know how to rig a program like that.

Senator ANDERSON. Let me ask you a question. Has there ever been a potato program where you did that?

Mr. WOOLLEY. Where we did what?

Senator ANDERSON. Where you supported the No. 1's only, and let the No. 2 go?

Mr. WOOLLEY. Well, of course, potatoes is one thing, and peanuts is something else.

Senator ANDERSON. Now, has there ever been a corn program where you did that?

Mr. WOOLLEY. Oh, yes. You take the corn program, many times a farmer would be able to sell his corn and still at the same time put a part of it under loan, and the net effect would be, if you add up what he sold plus what he put up under loan, he got more than 90 percent.

Senator ANDERSON. And there is criticism of the program on the part of the farmers themselves.

Mr. WOOLLEY. I don't think it is justifiable criticism.

Senator AIKEN. Do you think you should take hail-struck tobacco off the market at 90 percent of parity, just because it is not marketable?

Mr. WOOLLEY. No.

Senator AIKEN. Or do you think you should loan 90 percent on No. 4 corn?

Mr. WOOLLEY. No, sir.

Senator AIKEN. And you never buy cull potatoes?

Mr. WOOLLEY. That is correct, sir.

Senator AIKEN. Then why do you buy the peanuts?

Mr. WOOLLEY. In the first place, the situation in edible peanuts was such that the supply was way in excess of the demand for total edible peanuts, because the runner-type peanut is edible, but the trade does not want the runner-type peanut. What you have to do is you have to increase your percentage of No. 2 in order to run your sheller-type program. That is all that is involved there. We know of no better way of handling the program than handling it through the crushers and shellers. We thought about storing peanuts in exactly the same way that we store wheat and corn, but there are not the storage facilities available there, and we have never been able to

work out a program on that basis. It is purely because of the facilities available for the marketing of peanuts that we have this program for the handling of peanuts.

Senator THYE. Mr. Woolley, have you ever asked anyone whether you would be authorized to construct storage facilities for peanuts the same as for corn and wheat? In other words, you took the avenue that seemed to be charted for you here, and just went down that avenue merrily. You do not do the same thing in corn, because you can't take the corn that is high in moisture.

Mr. WOOLLEY. You have to take into account the normal marketing of corn. Long before we ever had a farm program, you put the corn in the crib as a normal operation of procuring the market, and getting it ready for feeding. Peanuts had never been handled on that basis. Only a very few farmers store peanuts the same way you store corn.

Senator AIKEN. Would you object if we wrote into the law a provision that completely unmarketable peanuts would not be eligible for price support? Would that not be fair?

Mr. PRICHARD. May I make a point on that? I think we are confusing No. 2 peanuts which come from the shelling plant, with eligibility of the support on farmer's stock peanuts in the form that the farmer markets them. To be eligible for price support, the farmer's peanuts must be merchantable peanuts. This No. 2 peanut program is merely a device for removing the surpluses, the cheapest way to the Commodity Credit Corporation. It was installed when we had big surpluses; it was continued when those surpluses were continued by minimum acreage allotments.

Senator AIKEN. The question is, if it is fair for peanuts, it is fair for other crops.

Mr. PRICHARD. This does not go to the farmer. We would not support the farmer on the inferior grade of peanuts, for example, any more than we would support the corn farmer on the inferior grade of corn.

Senator AIKEN. You support the sheller?

Mr. PRICHARD. We are supporting the farmer. We use the No. 2 device, as I tried to make clear, when we had a tremendous surplus of peanuts in total. During the last 2 years we had a tremendous surplus of peanuts, a paradox of a tremendous surplus of peanuts, and at the same time a shortage of the Virginia and Valencia types.

Senator ANDERSON. Would you say the No. 2 Virginia are not salable as peanuts, that they have to be crushed for oil?

Mr. PRICHARD. No, sir; I would not say they are not salable, I do not claim that. No. 2 peanuts ordinarily are salable at a discount, but they are an inferior quality.

Senator ANDERSON. That would have relieved the shortage a bit.

Mr. PRICHARD. They are the ones that compete in the market place with the runner and Spanish, where we had the tremendous surpluses. By taking off the inferior quality, we made a better quality of all types of peanuts available to the edible trade.

Senator THYE. I would like to call your attention to the fact that the processor was begging for any type of edible peanuts. It was your decision to give him a better quality, and to turn to the processor, the crusher, a peanut which did not come up to that No. 1 quality,

or No. 1 grade, and you suffered a loss on your decision to put a better quality on the market, when the trade was asking for it.

Mr. PRICHARD. Let me see if I can clarify that, Senator. We made our decision, as Mr. Woolley pointed out, early in the year. We had to do that, in order to get our commitment to the farmer. Secondly, had there been any demand in the trade for that type of peanut, they would not have let them go to the Commodity Credit Corporation at the price we specified.

Senator THYE. Wasn't that peanut going right into the crusher and made into oil and peanut meal, and the food processor never had an opportunity to bid on that peanut?

Mr. PRICHARD. No, sir; that is not true. The user of the peanut had every opportunity to buy from the sheller, and no doubt the sheller would have sold it to him had there been a market for the peanut. Throughout the 1949 crop, so far as I know, there were few, if any, sales of No. 2 Virginia type peanuts to the edible trade. There have been some from the 1950 crop, which is to me clear proof that if there is a demand for the nut, it will move, and not come to Commodity Credit Corporation.

Senator AIKEN. Mr. Woolley, I would like to ask you a question. Did the sheller make more money by selling to you than he would by selling to the trade?

Mr. WOOLLEY. Mr. Prichard can answer that question.

Mr. PRICHARD. I don't think so.

Senator AIKEN. Why didn't he sell to the trade, if he could make more money?

Mr. WOOLLEY. I think there are people here that know the answer much better than we do.

Senator ANDERSON. If that is true, will you tell us what this arrangement is now, that has been changed, so now you agree to take 1,100 pounds out of every ton of farmer's stock peanuts? Did you make such an agreement recently with the southeastern peanut shellers, under which the Department agrees to take 1,100 pounds of No. 2 and runner type of peanuts out of every ton of farmer stock peanuts?

Mr. PRICHARD. That does not sound like the right figure to me. Do you have the percentage there?

Senator ANDERSON. No; I haven't.

Mr. PRICHARD. That is one that my memory is not quite clear on at the moment.

Senator ANDERSON. You used to take 700 pounds, didn't you?

Mr. PRICHARD. We took without limitation up to the 1950 crop. There was no limit on the No. 2 peanuts. As you may recall, the crop report started out at 830,000 tons, and it is now over a million tons for the 1950 crop, so the need for the limitation, as well as the quantity under the limitation has about evaporated. We have increased it twice, and I can't give you the exact figure, because one limitation is based upon the pounds of No. 1 peanuts sold to the edible trade, and the other is on the farmer's stock purchases from the farmer by the sheller.

Senator ANDERSON. Is it true that the same thing is happening here that happened on potatoes, that when you restricted the acreage they used additional devices to get a larger out-turn? Was the 1950 crop in a class by itself, as far as the out-turn was concerned?

Mr. PRICHARD. Yes; the yields went up for 1950.

Senator ANDERSON. Are they continuing to use increased amounts of fertilizer for the 1951 crops, so that the acreage limitations are again likely to be ineffective?

Mr. PRICHARD. I did not get the last part of the question on the acreage limitation.

Senator ANDERSON. Will the yield for 1951, do you think, be up again this year?

Mr. PRICHARD. It is likely to be higher again, given good weather conditions.

Senator AIKEN. How much of that is due to shifting to less desirable varieties? That is an important factor. How much of that is due to shifting to runner-type peanuts? It runs 1,000 pounds per acre on the runner type, or even more than that.

Mr. PRICHARD. Yes, it runs more than that.

Senator HOLLAND. I would like to ask one question to make it clear in the record. Do we understand that in the 1949 and 1950 crops your purchases of No. 2 peanuts were really surplus removal purchases, and they affected the purchase of peanuts that were actually No. 2, or under-grade, off-grade peanuts only in the Virginia-Carolina area but cover the purchases of much more than the under-grade amounts of peanuts in all the rest of the producing areas?

Mr. WOOLEY. That is correct.

Senator HOLLAND. What percentage of the total production of the other areas, if you have it, was purchased by Commodity Credit?

Mr. WOOLEY. I gave you the figures. The amount of purchases to February 3, 1951, of the 1950 crop, by areas and broken down by types, I think I gave you those figures for the Virginia-Carolina type, which was 17,870,000 pounds, and for the total southeast area it is 108,733,000, runner 95,934,000, Spanish 12,730,000, and Virginia 29,000 in the southeast area, and in the southwest area it was a total of Spanish type 28,860,000 making a total for the United States of 155,463,000 pounds.

Senator HOLLAND. What percentage of the production outside of the Virginia-Carolina area was purchases designated as No. 2, but really used as a device to remove the surplus?

Mr. WOOLEY. I would not be able to give you that figure right off-hand, Senator. I might be able to obtain it for you.

Senator HOLLAND. Isn't it a fact, except in the Virginia-Carolina area, the amounts purchased were largely No. 1 peanuts produced in those areas?

Mr. WOOLEY. What was the question?

Senator HOLLAND. Is it a fact that except for the Virginia-Carolina area, the amounts purchased were largely first-grade peanuts in those particular areas?

Mr. WOOLEY. I would not be able to say that they were first grade, but I would say they are definitely edible peanuts, and would not have gone into oil, except for the fact there was no edible demand for that type of peanut.

Senator HOLLAND. Or putting it in another way, the purchases, except in the Virginia-Carolina area were not confined to the off-grade peanuts; is that correct?

Mr. WOOLEY. That is correct?

Senator HOLLAND. But most of the peanuts purchased were the best-grade peanuts produced in those other areas; is that correct?

Mr. WOOLLEY. We purchased a large quantity of the other type of peanut. I would say most of those we purchased would not be off-grade. The percentage of off-grade would probably be about the same percentage that the Virginias would be.

Senator AIKEN. Were they graded at all, or did you simply box them and sell them to the crushers?

Mr. WOOLLEY. To my knowledge, they were all graded.

Mr. PRICHARD. Yes; they were graded. Of course, they did contain a large proportion of the No. 1 type peanut.

Senator HOLLAND. Then your answer to my question is "yes," that most of the peanuts bought out of the Virginia-Carolina area were of the top-grade production for those other areas.

Mr. PRICHARD. Outside of the Virginia area?

Senator HOLLAND. Outside of the Virginia-Carolina.

Mr. PRICHARD. That is right. I would like to add to that, all of those purchases were because of the surplus over the edible demand.

Senator HOLLAND. Have you prepared a table showing the total purchases in each of the areas in production in 1949 and 1950, and to date, and the grades and the amount of the purchases in each area?

Mr. WOOLLEY. We do not have it by grade. We could supply that for the record, I think.

Senator HOLLAND. I ask that it be supplied.

Mr. PRICHARD. Yes, sir.

Senator HOLLAND. I don't think it is impossible to fix some figure indicating that this was a surplus disposal, and not a purchase of damaged or undergrade peanuts in all areas other than the Virginia-Carolina area. I don't think it is impossible—it should not be—to indicate what proportion of the amount purchased in all other areas except the Virginia-Carolina area represent high-grade and what proportion represent undergrade peanuts.

Mr. PRICHARD. I think we can make an approximation. I do not want to leave the idea we had a grade determination that could be applied.

Senator HOLLAND. I ask that you supply that for the record.

(The information referred to appears at the end of Mr. Woolley's testimony.)

Senator AIKEN. Under the law permitting the grower to exceed his quota in producing peanuts for oil, isn't the production of that acreage in excess of his quota segregated from the production of the quota acres, or do you handle that? That applies to the 1950 crop only, I believe.

Mr. WOOLLEY. The oil-acreage provision is not limited to 1950.

Senator AIKEN. How is that handled?

Mr. PRICHARD. I did not get the question.

Senator AIKEN. Under the provision of the law which permits the grower to exceed his quota so long as he sells the excess for oil, on the oil market, is the production of those particular acres segregated, or how is it handled?

Mr. PRICHARD. It is not. One of the main complaints we had under the original oil program was the requirement that the producers had to split the loads of peanuts.

Senator AIKEN. Can you handle that satisfactorily?

Mr. PRICHARD. We are handling it, I hope, satisfactorily.

Senator ANDERSON. How are you handling it if you don't split it? The law says you must split it.

Mr. PRICHARD. No; the law does not.

Senator ANDERSON. Oh, yes; the law says it shall be set aside and you shall make a separate accounting of the loss to the Treasury.

Mr. PRICHARD. That does not say the producer must split the load, Senator.

Senator ANDERSON. How do you handle it?

Mr. PRICHARD. We maintain separate accounts, and we, of course, identify that part of the load which represents oil peanuts.

Senator ANDERSON. And you sell it separately?

Mr. PRICHARD. Not the specific peanuts. We sell other peanuts against the excess oil peanuts delivered by farmers to designated agencies.

Senator AIKEN. Suppose we have a man that has a quota of 80 acres, and he plants 100 acres, and raises 20 acres of excess peanuts. Are those 20 acres the 20 acres on which he exceeded his quota, and the 20 acres on which he raised the peanuts that go into oil?

Mr. PRICHARD. No, sir.

Senator AIKEN. How do you know? What is there to hinder their planting excessive acreage, and then simply failing to harvest the acres that do not turn out well, and in that way get around the quota law, at least to an extent?

Mr. PRICHARD. Well, that is inherent in the quota law, Senator. The peanuts count against the acreage allotment only when harvested, picked, and threshed for nuts. In your example, let us assume he picked the entire 100 acres. Then we do not say a particular 20 acres represents his excess; we say 20 percent of each quantity of peanuts he markets was excess peanuts.

Senator AIKEN. Under the quota law, it is the acres harvested and not the acres planted; am I right about that?

Mr. PRICHARD. Yes.

Senator AIKEN. You simply designate the number of acres that can be harvested, and they get the 90-percent support, and you do not limit the number of acres planted?

Mr. PRICHARD. The number of acres harvested on each farm is limited by law to the 1947 acres. If he goes over that, he cannot deliver the excess peanuts at oil prices. He must pay the quota penalty on the excess.

Senator AIKEN. Under the law passed last year, it permits him to market the excess production for oil.

Mr. PRICHARD. Only if the 1947 farm acreage is not exceeded.

Senator AIKEN. It still leaves the 1947 acres as the maximum?

Mr. PRICHARD. On a farm basis.

Senator AIKEN. That was the high acreage year?

Mr. PRICHARD. Yes; that was the high acreage year.

Senator HOLLAND. Let me see if I can bring this out by an illustration, if I may, Mr. Chairman.

The CHAIRMAN. Proceed.

Senator HOLLAND. Suppose a farmer would have had 80 acres under the 1949 quota, and suppose that his 1947 quota was 100 acres, and suppose he also fed some peanuts in the ground to hogs; suppose he

planted 120 acres. Now, you actually measure it up and allow him to harvest 100 acres of peanuts; is that correct?

Mr. PRICHARD. If he wants to; yes.

Senator HOLLAND. If he wants to harvest up to 100 acres, he could do so, and you would take four-fifths of that amount harvested under the regular support program?

Mr. PRICHARD. That is right.

Senator HOLLAND. And allow him to market one-fifth of it under the oil-only program, and not at a loss to the Government?

Mr. PRICHARD. That is right.

Senator HOLLAND. And you will allow him to feed the rest in the ground?

Mr. PRICHARD. Yes.

Senator HOLLAND. As a matter of fact, you have nothing to do with that except to see if it is not harvested?

Mr. PRICHARD. That is right.

Senator HOLLAND. You allow him to feed in the ground that other 20 acres to his hogs?

Mr. PRICHARD. That is right.

Senator HOLLAND. And you do not find any particular problem at all in breaking up the four-fifths and one-fifth, so that the four-fifths is covered by the regular support program and the other one-fifth moves to the mills?

Mr. PRICHARD. We found some problems, but I think we have handled it as well as we could under a program of that kind. I think we will be able to improve on it in the operation of 1951.

Senator ANDERSON. What price are you getting for the excess peanuts that you are selling out of your own stock?

Mr. PRICHARD. I cannot give you the exact answer, but it was between 13 and 13½ cents on the last sale.

Senator ANDERSON. What price are you getting for the farmers' excess peanuts?

Mr. PRICHARD. The same thing.

Senator ANDERSON. Then they are all handled the same?

Mr. PRICHARD. Yes.

Senator ANDERSON. They are all handled together?

Mr. PRICHARD. That is right.

Senator ANDERSON. You are not supporting the excess peanuts?

Mr. PRICHARD. We are crediting against purchases of excess oil peanuts the average we get on all the sales.

The CHAIRMAN. To what extent do you think this excess for oil depresses the price of the other peanuts?

Mr. PRICHARD. I could not give you an answer on that.

The CHAIRMAN. I remember during the debate it was said it would not affect the market at all. I think it goes without saying it does affect the market.

Mr. PRICHARD. I think the answer is, "Your total supply determines the market, and you add into the total supply all segments of the total."

The CHAIRMAN. Will you proceed with your statement, sir?

Mr. WOOLLEY. Whenever we prepare figures for you gentlemen on the basis of what we turn into the House, we always make a mistake. They always care about the acreage there.

The CHAIRMAN. They do not care about the dollars; do they?

Mr. WOOLLEY. Yes; they do. So we came prepared to talk about acreages.

The Department also agrees with the intent of the proposed subsection (C) (2) as contained in S. 742 which would permit increasing allotments for individual types of peanuts when it is determined that increases are needed in order to meet the edible demand for such types. Also, we believe that if a limitation is needed the 1947 average picked and threshed would be an acceptable limit to which individual State allotments could be increased under this provision. However, this subsection as written places the authority and responsibility for type increases with the Secretary of Agriculture, and we would prefer that the legislation contain specific provisions for increasing the allotment for Virginia- and Valencia-type peanuts in much the same way as proposed in our letter of December 8, 1950. If legislation should be enacted placing this authority with the Secretary of Agriculture as provided in S. 742, the Department of Agriculture will administer the provision to the best of its ability on the basis of its analysis of the supply and demand for the various types of peanuts. Irrespective of the method that is developed as the basis for increasing allotments for types of peanuts in short supply, we believe it extremely important that some type of legislation be enacted as soon as possible which will permit such increases.

In order for this committee to review the possible effects of various bills which have been introduced. I have brought several tables which have been distributed to members of the committee. These tables are designed to show the approximate State and national allotments for peanuts for 1951 and 1952 under existing legislation, S. 742, H. R. 2615, H. R. 9109, Eighty-first Congress, the Farm Bureau Proposal, H. R. 40, and the proposal of the Department of Agriculture.

The CHAIRMAN. At this point in the record the tables will be made a part of the record, without objection.

(The tables referred to are as follow:)

Peanuts: Indicated 1951 State acreage allotments under H. R. 2615

State and area	1945-49 straight average acreage	Final 1950 State acreage allotment	1,771,117 acres apportioned ²		First in- dicated 1951 acreage allotment ¹	1951 acreage announced Oct. 26, 1950	Final 1951 acreage allotment ³	Approximate increase for types under proposed legislation ⁴	Approximate 1951 total acreage types under allotment (column 7 and column 8)
			Basis column 1	Basis column 2					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Virginia.....	154,600	141,108	Acres	Acres	Acres	Acres	Acres	Acres	Acres
North Carolina.....	287,600	225,702	88,399	112,454	117,819	117,819	23,623	141,442	
Tennessee.....	5,400	4,766	164,448	179,869	188,451	188,451	39,981	228,432	
			3,088	3,798	3,798	3,979	713	4,692	
Total Virginia-Carolina area.....	447,600	371,576	255,935	296,121	296,121	310,249	64,317	374,566	
South Carolina.....	27,200	20,459	15,553	16,305	16,305	15,342	1,766	18,071	
Georgia.....	1,046,600	701,400	598,439	558,638	598,439	585,638	598,439	598,439	
Florida.....	95,400	73,236	55,121	58,364	58,364	61,149	61,149	61,149	
Alabama.....	444,200	319,373	253,991	254,519	254,519	293,535	254,519	254,519	
Mississippi.....	15,400	11,256	8,806	8,994	8,994	7,742	8,994	8,994	
Total southeast area.....	1,629,800	1,125,754	931,910	897,150	936,621	899,406	939,406	941,172	
Arkansas.....	8,600	6,724	4,917	5,359	5,359	4,570	5,359	5,359	
Louisiana.....	4,000	3,228	2,287	2,572	2,572	2,092	2,572	2,572	
Oklahoma.....	241,000	183,600	138,031	146,317	146,317	153,298	153,298	153,298	
Texas.....	723,600	499,873	413,750	398,865	413,750	376,732	413,750	413,750	
New Mexico.....	10,000	6,902	3,718	5,000	5,718	4,973	5,718	6,300	
Total southwest area.....	987,600	700,327	564,703	558,113	573,716	541,667	580,697	581,279	
Arizona.....	500	900	286	765	765	801	801	801	
California.....	500	1,257	286	1,002	1,050	1,050	1,050	1,050	
Missouri.....	500	320	286	255	286	233	286	286	
Total, others.....	1,500	2,537	858	2,022	2,053	2,084	2,137	2,137	
Acreage reserved for new farms.....			17,711	17,711	17,711	17,711	17,711	17,711	
Total United States.....	3,066,500	2,200,194	1,771,117	1,771,117	1,826,222	1,771,117	66,665	1,916,865	

¹ Larger of column 3 or column 4.² Less reserve for new farms.³ Excluding possible increases for type under subsec. (c) (3).⁴ Assuming increases for Virginia- and Valencia-type peanuts sufficient to result in a total allotment for the five principal States producing such types equivalent to the total final allotment determined for such States for 1950. A larger increase is permitted under H. R. 2615 and may be required, inasmuch as Virginia and Valencia types from the 1950 crop are in short supply.

TABLE A.—*Peanuts: Comparison of indicated 1951 acreage allotments under present legislation H. R. 9109, 81st Cong., H. R. 40, the Farm Bureau proposal and the Department of Agriculture proposal*¹

State and area	Present legislation		H. R. 9109, 81st Cong.				Total	
	Acres (1)	Percent of total (2)	Initial allotment		Type increase		Acres (7)	Percent of total (8)
			Acres (3)	Percent of total (4)	Acres (5)	Percent of total (6)		
Virginia.....	117,819	6.65	117,819	6.38	23,289	36.30	141,108	7.38
North Carolina.....	188,451	10.64	188,451	10.20	37,251	58.07	225,702	11.80
Tennessee.....	3,979	.23	3,979	.21	787	1.23	4,766	.25
Total Virginia-Carolina area.....	310,249	17.52	310,249	16.79	61,327	95.60	371,576	19.43
South Carolina.....	15,342	.87	15,553	.84	2,822	4.40	18,375	.96
Georgia.....	585,638	33.07	598,439	32.38			598,439	31.29
Florida.....	61,149	3.45	61,149	3.31			61,149	3.20
Alabama.....	229,535	12.96	253,991	13.74			253,991	13.28
Mississippi.....	7,742	.43	8,806	.48			8,806	.46
Total southeast area.....	899,406	50.78	937,938	50.75	2,822	4.40	940,760	49.19
Arkansas.....	4,570	.26	4,917	.27			4,917	.25
Louisiana.....	2,092	.12	2,287	.12			2,287	.12
Oklahoma.....	153,298	8.65	153,298	8.29			153,298	8.02
Texas.....	376,732	21.27	413,750	22.39			413,750	21.63
New Mexico.....	4,975	.28	5,718	.31			5,718	.30
Total southwest area.....	541,667	30.58	579,970	31.38			579,970	30.33
Arizona.....	801	.05	801	.04			801	.04
California.....	1,050	.06	1,050	.06			1,050	.06
Missouri.....	233	.01	286	.02			286	.01
Total others.....	2,084	.12	2,137	.12			2,137	.11
Acreage reserved for new farms.....	17,711	1.00	17,711	.96			17,711	.94
Total United States.....	1,771,117	100.00	1,848,005	100.00	64,149	100.00	1,912,154	100.00

¹ Fats and Oils Branch, PMA, Program Analysis Division, Feb. 7, 1951.

State and area	H. R. 40 and Farm Bureau proposal ²				Department of Agriculture proposal ¹			
	Initial allotment		Type increase		Total		Type increase	
	Acres (9)	Percent of total (10)	Acres (11)	Percent of total (12)	Acres (13)	Percent of total (14)	Acres (15)	Percent of total (16)
Virginia.....	117,819	6.52	22,268	35.43	140,087	7.50	117,819	6.52
North Carolina.....	188,451	10.44	37,689	59.98	226,140	12.10	188,451	10.44
Tennessee.....	3,979	.22	672	1.07	4,651	.25	3,979	.22
Total Virginia-Carolina area.....	310,249	17.18	60,629	96.48	370,878	19.85	310,249	17.18
South Carolina.....	15,342	.85	1,665	2.65	17,007	.91	15,342	.85
Georgia.....	585,638	32.43	---	---	585,638	31.34	585,638	32.43
Florida.....	61,149	3.38	---	---	61,149	3.27	61,149	3.38
Alabama.....	243,321	13.47	---	---	243,321	13.02	243,321	13.47
Mississippi.....	8,436	.47	---	---	8,436	.45	8,436	.47
Total southeast area.....	913,886	50.60	1,665	2.65	915,551	48.99	913,886	50.60
Arkansas.....	4,710	.26	---	---	4,710	.25	4,710	.26
Louisiana.....	2,191	.12	---	---	2,191	.12	2,191	.12
Oklahoma.....	153,298	8.49	---	---	153,298	8.20	153,298	8.49
Texas.....	396,369	21.95	---	---	396,369	21.21	396,369	21.95
New Mexico.....	5,478	.30	549	.87	6,027	.32	5,478	.30
Total southwest area.....	562,046	31.12	549	.87	562,595	30.10	562,046	31.12
Arizona.....	801	.04	---	---	801	.04	801	.04
California.....	1,050	.06	---	---	1,050	.06	1,050	.06
Missouri.....	274	.02	---	---	274	.01	274	.02
Total others.....	2,125	.12	---	---	2,125	.11	2,125	.12
Acreage reserved for new farms.....	17,711	.98	---	---	17,711	.95	17,711	.98
Total United States.....	1,806,017	100.00	62,843	100.00	1,868,860	100.00	1,806,017	100.00

¹ All "type" increases and figures affected by such increases are preliminary and subject to change.

² For purposes of this presentation it is assumed that State acreage allotments for 1951 under H. R. 40 would be the same as the Farm Bureau proposal although H. R. 40 provides for apportionment of "type" increases on the basis of 1948-50 "average production" whereas the Farm Bureau proposal provides for apportionment on the basis of 1948-50 "average acreage."

TABLE B.—*Peanuts: Comparison of indicated 1952 acreage allotments under present legislation, H. R. 9109, 81st Cong., H. R. 40, the Farm Bureau proposal and the Department of Agriculture proposal assuming the same national allotment in 1952 as determined for 1951*

State and area	Present legislation			H. R. 9109						Farm Bureau proposal			
	Initial allotment		Total	Type increase		Total	Initial allotment		Type increase	Total	Initial allotment		Total
	Acres	Percent of total		Acres	Percent of total		Acres	Percent of total			Acres	Percent of total	
Virginia.....	117,819	6.65	(2)	117,819	6.38	(4)	117,819	6.38	23,289	36.30	115,530	6.52	(14)
North Carolina.....	188,451	10.64	(2)	188,451	10.20	(4)	188,451	10.20	37,231	58.07	184,773	10.44	(14)
Tennessee.....	3,979	.23	(2)	3,979	.21	(4)	3,979	.21	787	1.23	3,901	.22	(14)
Total Virginia-Carolina area.....	310,249	17.52		310,249	16.79		310,249	16.79	61,327	95.60	304,194	17.18	
South Carolina.....	15,342	.87	(2)	15,342	.84	(4)	15,342	.84	2,822	4.40	15,043	.85	(14)
Georgia.....	585,638	33.07	(2)	585,638	32.38	(4)	585,638	32.38	2,822	4.40	574,209	32.42	(14)
Florida.....	61,149	3.45	(2)	61,149	3.31	(4)	61,149	3.31	2,822	4.40	58,966	3.38	(14)
Alabama.....	229,535	12.96	(2)	229,535	13.74	(4)	229,535	13.74	2,822	4.40	238,572	13.47	(14)
Mississippi.....	7,742	.43	(2)	7,742	.48	(4)	7,742	.48	2,822	4.40	8,271	.47	(14)
Total southeast area.....	899,406	50.78		897,938	50.75		897,938	50.75	2,822	4.40	896,051	50.59	
Arkansas.....	4,570	.26	(2)	4,570	.27	(4)	4,570	.27	2,822	4.40	4,018	.26	(14)
Louisiana.....	2,032	.12	(2)	2,032	.12	(4)	2,032	.12	2,822	4.40	2,148	.12	(14)
Oklahoma.....	153,298	8.65	(2)	153,298	8.29	(4)	153,298	8.29	2,822	4.40	150,306	8.49	(14)
Texas.....	376,732	21.27	(2)	376,732	22.39	(4)	376,732	22.39	2,822	4.40	388,634	21.94	(14)
New Mexico.....	4,975	.28	(2)	4,975	.31	(4)	4,975	.31	2,822	4.40	5,371	.30	(14)
Total Southwest area.....	541,667	30.58		579,970	31.38		579,970	31.38	2,822	4.40	551,077	31.11	
Arizona.....	801	.05	(2)	801	.04	(4)	801	.04	2,822	4.40	785	.05	(14)
California.....	1,050	.06	(2)	1,050	.06	(4)	1,050	.06	2,822	4.40	1,030	.06	(14)
Missouri.....	233	.01	(2)	233	.02	(4)	233	.02	2,822	4.40	269	.01	(14)
Total others.....	2,084	.12		2,137	.12		2,137	.12	2,822	4.40	2,084	.12	
Average reserved for new farms.....	17,711	1.00		17,711	.96		17,711	.96	2,822	4.40	17,711	1.00	
Total United States.....	1,771,117	100.00		1,848,095	100.00		1,771,117	100.00	64,149	100.00	1,771,117	100.00	
											69,304		
											1,840,421		

State and area	H. R. 40			Department of Agriculture Proposal			
	Acres (15)	Percent of total (16)	Initial allotment		Type increase		Total ¹
			Acres (17)	Percent of total (18)	Acres (19)	Percent of total (20)	
Virginia.....	117,819	6.65	112,869	6.37	28,239	37.11	141,108
North Carolina.....	188,451	10.64	180,535	10.19	45,167	59.35	225,702
Tennessee.....	3,979	.23	3,812	.22	954	1.25	4,766
Total Virginia-Carolina area.....	310,249	17.52	297,216	16.78	74,360	97.71	371,576
South Carolina.....	15,342	.87	14,890	.84	1,738	2.29	16,627
Georgia.....	536,638	33.07	573,301	32.37	-----	-----	573,301
Florida.....	61,149	3.45	58,580	3.31	-----	-----	58,580
Alabama.....	229,535	12.96	243,321	13.74	-----	-----	243,321
Mississippi.....	7,142	.43	8,436	.47	-----	-----	8,436
Total southeast area.....	899,406	50.78	898,537	50.73	1,738	2.29	900,275
Arkansas.....	4,570	.26	4,710	.27	-----	-----	4,710
Louisiana.....	2,092	.12	2,191	.12	-----	-----	2,191
Oklahoma.....	153,298	8.65	149,858	8.29	-----	-----	146,858
Texas.....	376,732	21.27	346,369	22.38	-----	-----	396,369
New Mexico.....	4,975	.28	5,478	.31	-----	-----	5,478
Total southwest area.....	541,667	30.88	555,606	31.37	-----	-----	555,606
Arizona.....	801	.05	768	.04	-----	-----	768
California.....	1,050	.06	1,005	.05	-----	-----	1,005
Missouri.....	233	.01	274	.02	-----	-----	274
Total others.....	2,084	.12	2,047	.12	-----	-----	2,047
Acreage reserved for new farms.....	17,711	1.00	17,711	1.00	-----	-----	17,711
Total United States.....	1,771,117	100.00	1,771,117	100.00	76,098	100.00	1,847,215
							100.00

¹ All "type" increases and figures affected by such increases are preliminary and subject to change.
Fats and Oils Branch, PMA, Program Analysis Division, Feb. 6, 1951.

TABLE C.—Peanuts: Indicated 1951 and 1952 acreage allotments under H. R. 2085, assuming an initial national allotment of 1,771,117 acres for both years

	Final 1950 State acreage allotment		First indicated 1951 State acreage allotment ¹		1951 acreage allotment announced Oct. 26, 1950		Second indicated 1951 acreage (larger of column 3 or column 5)		Approximate increase for types through proposed legislation ²		Indicated total allotment, 1951	
	Acreage	Percent of total	Acreage	Percent of total	Acreage	Percent of total	Acreage	Percent of total	Acreage	Percent of total	Acreage	Percent of total
Virginia.....	141,198	6.41	112,454	6.35	117,819	6.65	117,819	6.47	21,920	35.44	139,739	7.42
North Carolina.....	225,702	10.26	179,869	10.16	188,451	10.64	188,451	10.34	37,098	59.97	225,549	11.97
Tennessee.....	4,766	.22	3,798	.21	3,979	.22	3,979	.22	661	1.07	4,640	.25
Total Virginia-Carolina area.....	371,576	16.89	296,121	16.72	310,249	17.51	310,249	17.03	59,679	96.48	369,928	19.94
South Carolina.....	20,459	.93	16,305	.92	15,342	.87	16,305	.90	1,639	2.65	17,944	.95
Georgia.....	701,400	31.88	558,968	31.56	585,638	33.07	585,638	32.15	---	---	585,638	31.09
Florida.....	73,236	3.33	58,364	3.30	61,149	3.45	61,149	3.36	---	---	61,149	3.25
Alabama.....	319,373	14.52	254,519	14.37	229,535	12.96	254,519	13.97	---	---	254,519	13.51
Mississippi.....	11,286	.51	8,994	.51	7,742	.44	8,994	.49	---	---	8,994	.48
Total southeastern area.....	1,125,754	51.17	897,150	50.66	899,406	50.79	926,605	50.87	1,639	2.65	928,244	49.28
Arkansas.....	6,724	.31	5,359	.30	4,570	.26	5,359	.29	---	---	5,359	.28
Louisiana.....	3,228	.15	2,572	.15	2,092	.12	2,572	.14	---	---	2,572	.14
Oklahoma.....	183,600	8.34	146,317	8.26	153,298	8.65	153,298	8.41	---	---	153,298	8.14
Texas.....	499,873	22.72	398,365	22.49	376,732	21.27	398,365	21.87	---	---	398,365	21.15
New Mexico.....	6,902	.31	5,500	.31	4,975	.28	5,500	.30	540	.87	6,040	.32
Total southwestern area.....	700,327	31.83	558,113	31.51	541,667	30.58	565,094	31.01	540	.87	565,634	30.03
Arizona.....	960	.04	765	.04	801	.05	801	.05	---	---	801	.04
California.....	1,257	.06	1,002	.06	1,050	.06	1,050	.06	---	---	1,050	.06
Missouri.....	320	.01	255	.01	233	.01	255	.01	---	---	255	.01
Total others.....	2,537	.11	2,022	.11	2,084	.12	2,106	.12	---	---	2,106	.11
Acreage reserve for new farms.....	---	---	17,711	1.00	17,711	1.00	17,711	.97	---	---	17,711	.94
Total United States.....	2,200,194	100.00	1,771,117	100.00	1,771,117	100.00	1,821,765	100.00	61,858	100.00	1,883,623	100.00

State and area	Indicated 1952 initial allotment ²		Approximate increase for types through proposed legislation ³		Indicated total allotment 1952	
	Acres (13)	Percent of total (14)	Acres (15)	Percent of total (16)	Acres (17)	Percent of total (18)
Virginia.....	114, 511	6.47	25, 223	35.44	139, 734	7.58
North Carolina.....	183, 160	10.34	42, 689	59.97	225, 849	12.26
Tennessee.....	3, 867	.22	761	1.07	4, 628	.25
Total Virginia-Carolina area.....	301, 538	17.03	68, 673	96.48	370, 211	20.09
South Carolina.....	15, 847	.89	1, 886	2.65	17, 733	.96
Georgia.....	569, 196	32.14	-----	-----	569, 196	30.90
Florida.....	59, 432	3.36	-----	-----	59, 432	3.23
Alabama.....	247, 373	13.97	-----	-----	247, 373	13.43
Mississippi.....	8, 742	.49	-----	-----	8, 742	.47
Total southeast area.....	900, 590	50.85	1, 886	2.65	902, 476	48.99
Arkansas.....	5, 209	.29	-----	-----	5, 209	.28
Louisiana.....	2, 500	.14	-----	-----	2, 500	.14
Oklahoma.....	148, 994	8.41	-----	-----	148, 994	8.09
Texas.....	387, 181	21.86	-----	-----	387, 181	21.02
New Mexico.....	5, 346	.30	622	.87	5, 968	.32
Total southwest area.....	543, 230	31.00	622	.87	549, 852	29.85
Arizona.....	779	.05	-----	-----	779	.04
California.....	1, 021	.06	-----	-----	1, 021	.06
Missouri.....	248	.01	-----	-----	248	.01
Total others.....	2, 048	.12	-----	-----	2, 048	.11
Acreage reserved for new farms.....	17, 711	1.00	-----	-----	17, 711	.96
Total United States.....	1, 771, 117	100.00	71, 181	100.00	1, 842, 298	100.00

¹ Column 1 reduced proportionately to a total for all States of 1,753,406 acres. This total when added to the 17,711 acres reserved for new farms gives the United States total of 1,771,117 acres.

² Preliminary. Represents amount necessary to raise the 5 States receiving type increase to total for same 5 States under Farm Bureau proposal as shown on table A for 1951 and Table B for 1952.

³ Column 7 reduced proportionately to a total for all States of 1,753,406 acres. This total when added to the 17,711 acres reserved for new farms gives the United States total of 1,771,117 acres.

Source: Fats and Oils Branch, PMA, Program Analysis Division, Feb. 8, 1951.

TABLE I.—Peanuts: Indicated 1951 State acreage allotments under H. R. 9109, assuring an initial national allotment of 1,771,117 acres

State and area	1945-49 straight av- erage acre- age ³	1950 acreage allotment prior to Public Law 471	1,771,117 acres apportioned		First indi- cated 1951 acreage allotment ¹	Initial increase through pro- posed legisla- tion (column 4 5-column 4)	Possible addi- tional major increases for types through proposed leg- islation ²	Second indi- cated 1951 acreage allotment
			Basis, col- umn 1	Basis, col- umn 2				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Virginia.....	154,600	141,108	88,399	117,819	117,819	---	23,289	141,108
North Carolina.....	287,600	225,702	164,448	188,451	188,451	---	37,251	225,702
Tennessee.....	5,400	4,766	3,088	3,979	3,979	---	787	4,766
Total Virginia-Carolina area.....	447,600	371,576	255,935	310,249	310,249	---	61,327	371,576
South Carolina.....	27,200	18,375	15,553	15,342	15,553	211	---	18,375
Georgia.....	1,046,600	701,400	598,439	585,638	598,439	12,801	---	598,439
Florida.....	96,400	73,236	55,121	61,149	61,149	---	---	61,149
Alabama.....	444,200	274,907	253,991	229,535	253,991	24,456	---	253,991
Mississippi.....	15,400	9,272	8,806	7,742	8,806	1,064	---	8,806
Total southeast area.....	1,629,800	1,077,190	931,910	899,406	937,938	38,532	2,822	940,760
Arkansas.....	8,600	5,473	4,917	4,570	4,917	347	---	4,917
Louisiana.....	4,000	2,506	2,287	2,092	2,287	195	---	2,287
Oklahoma.....	241,400	183,600	138,031	153,298	153,298	---	---	153,298
Texas.....	723,600	451,200	413,750	376,732	413,750	37,018	---	413,750
New Mexico.....	10,000	5,959	5,718	4,975	5,718	743	---	5,718
Total southwest area.....	987,600	648,738	564,703	541,667	579,970	38,303	---	579,970
Arizona.....	500	960	286	801	801	---	---	801
California.....	1,257	1,257	286	1,050	1,050	---	---	1,050
Missouri.....	500	279	286	233	286	53	---	286
Total others.....	1,500	2,496	858	2,084	2,137	53	---	2,137
Acreage reserved for new farms.....	---	---	17,711	17,711	17,711	---	---	17,711
Total United States.....	3,066,500	2,100,000	1,771,117	1,771,117	1,848,005	76,898	64,149	1,912,154

¹ Larger of entries in column 3 or column 4, excluding possible increases for Virginia-type producing areas.² Difference between column 5 and 1950 allotment for major Virginia-type producing States.³ Basis revised acreage data contained in Crop Report released July 11, 1950.

Source: Fats and Oils Branch, PMA, Program Analysis Division.

TABLE II.—Peanuts: Indicated 1951 State acreage allotments under legislation recommended by the Department of Agriculture, assuming an initial national allotment of 1,771,117 acres

State and area	(1) 1945-49 straight average acreage ¹	(2) 1950 acre- age al- lotment prior to Public Law 471	(3) 2,100,000 acres ap- portioned on basis of 1945-49 av- erage acreage	(4) Larger of column 2 or 3	(5) First indi- cated 1951 acreage al- lotment ²	(6) 1951 acre- age al- lotment an- nounced Oct. 26, 1950	(7) Second in- dicated 1951 allot- ment ³	(8) 1941 acre- age al- lotment	(9) Possible ad- ditional in- creases for types through proposed leg- islation ⁴	(10) Third in- dicated 1951 acre- age al- lotment
Virginia.....	154,600	141,108	105,873	141,108	112,869	117,819	117,819	141,108	23,289	141,108
North Carolina.....	287,600	225,702	196,955	225,702	180,535	188,451	188,451	225,702	37,251	225,702
Tennessee.....	5,400	4,766	3,698	4,766	3,812	3,979	3,979	4,766	787	4,766
Total Virginia-Carolina area.....	447,600	371,576	306,526	371,576	297,216	310,249	310,249	371,576	61,327	371,576
South Carolina.....	27,200	18,375	18,627	18,627	14,899	15,342	15,342	18,375	1,516	16,858
Georgia.....	1,046,600	701,400	716,733	716,733	573,301	585,638	585,638	550,694	550,694	585,638
Florida.....	96,400	73,236	68,017	73,236	58,580	61,149	61,149	73,236	14,087	61,149
Alabama.....	444,200	274,907	304,197	304,197	243,321	229,535	243,321	274,907	24,286	243,321
Mississippi.....	15,400	9,272	10,546	10,546	8,436	7,742	8,436	9,272	6,164	8,436
Total southeast area.....	1,629,800	1,077,190	1,116,120	1,123,339	898,537	899,406	913,886	919,688	1,516	915,402
Arkansas.....	8,600	5,473	5,889	5,889	4,710	4,570	4,710	5,473	4,710	4,710
Louisiana.....	4,000	2,506	2,739	2,739	2,191	2,092	2,191	2,506	2,092	2,191
Oklahoma.....	241,400	183,600	165,316	183,600	146,858	153,298	153,298	165,316	61,607	153,298
Texas.....	723,600	431,200	495,536	495,536	396,369	376,732	396,369	431,200	246,373	396,369
New Mexico.....	10,000	5,959	6,848	6,848	5,478	4,975	5,478	5,959	3,673	5,478
Total southwest area.....	987,600	648,738	676,328	694,612	555,606	541,667	562,046	617,479	317,479	562,046
Arizona.....	500	960	342	960	768	801	801	960	801	801
California.....	500	1,257	342	1,257	1,005	1,050	1,050	1,257	1,050	1,050
Missouri.....	500	279	342	342	274	233	274	279	274	274
Total others.....	1,500	2,496	1,026	2,559	2,047	2,084	2,125	2,496	1,257	2,125
Acreage reserved for new farms.....					17,711	17,711	17,711			17,711
Total United States.....	3,066,500	2,100,000	2,100,000	2,192,086	1,771,117	1,771,117	1,806,017	1,610,000	62,843	1,868,860

¹ Basis revised acreage data contained in crop report released July 11, 1950.² Column 4 reduced proportionately to a United States total of 1,771,117 acres, with acreage reserved for new farms of 17,711 acres.³ Larger of column 5 or column 6.⁴ Preliminary.

Source: Fats and Oils Branch, PMA, Program Analysis Division.

TABLE I.—Peanuts: Preliminary approximation of distribution of acres added on for Virginia and Valencia types in 1951 under the legislation recommended by the American Farm Bureau Federation ¹

States producing Virginia and Valencia types of peanuts	Total 1948 acreage picked and threshed (1)	Total 1949 acreage picked and threshed (2)	Total 1950 acreage picked and threshed ² (3)	1948-50 aver- age acres (4)	Estimated percentage of total acres in 1948-50 picked and threshed which were Virginia and Valencia types (5)	Estimated 1948-50 aver- age acreage of Virginia and Valencia types picked and threshed (6)	Approximate 1951 acreage increase under Department proposal (7)	Approximate 1951 acreage increase under Bureau proposal ³ (8)
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Percent</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Virginia.....	164,000	138,000	150,000	150,667	99	149,160	22,288	23,289
North Carolina.....	295,000	236,000	234,000	255,000	99	252,450	37,689	37,251
South Carolina.....	26,000	22,000	² 18,916	22,305	50	11,152	1,665	1,516
Tennessee.....	5,000	5,000	5,000	5,000	90	4,500	672	787
New Mexico.....	9,000	7,000	² 6,057	7,352	50	3,676	549	-----
Total.....	499,000	408,000	413,973	440,324	-----	420,938	62,843	62,843

¹ This table is preliminary and subject to revision.

² Excluding 1950 acreage increase in allotment under Public Law 471.

³ For ease of comparison with the proposal of the Department of Agriculture, it has been assumed that 62,843 additional acres of Virginia- and Valencia-type peanuts will be required in 1951 over presently announced allotments to meet the demand for these types.

NOTE.—A few other States produce comparatively small quantities of Virginia and Valencia types. Under the Farm Bureau proposal, consideration would be given to these States in the final determination of the distribution of acres to be added. The acreage going to such States would be reflected in reductions for the 5 States listed. Since less than 10 percent of the production in these States is of the Virginia and Valencia types, no acres would be added under the proposal of the Department of Agriculture. New Mexico would not receive an increase under the Department proposal since the State acreage allotment exceeds the 1941 allotment.

Source: Fats and Oils Branch, PMA, Program Analysis Division, Feb. 6, 1951.

TABLE II.—Peanuts: Indicated 1951 acreage allotments under legislation recommended by the American Farm Bureau Federation, assuming an initial national allotment of 1,771,117 acres

State and area	1945-49 straight average acreage ¹	1950 acreage allotment prior to Public Law 471	2,100,000 acres apportioned on basis of 1945-49 average acreage	Larger of columns 2 or 3	First indicated 1951 acreage allotment ²	1951 acreage allotment announced Oct. 26, 1950	Second indicated 1951 allotment ³	1947 acreage picked and threshed ⁴	Approximate increase for types and through proposed legislation ⁵	Third indicated 1951 acreage allotment ⁵
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Virginia.....	Acres	Acres	Acres	Acres	Acres	Acres	Acres	Acres	Acres	Acres
North Carolina.....	154,900	141,108	105,873	141,108	112,869	117,819	117,819	162,000	22,268	140,087
Tennessee.....	287,500	225,702	196,955	225,702	180,555	188,451	188,451	292,000	37,689	226,140
	5,400	4,766	3,698	4,766	3,812	3,979	3,979	5,000	672	4,651
Total Virginia-Carolina area.....	447,500	371,576	306,526	371,576	297,216	310,249	310,249	459,000	60,629	370,878
South Carolina.....	27,200	18,375	18,627	18,627	14,869	15,342	15,342	25,000	1,665	17,007
Georgia.....	1,046,000	701,400	716,733	716,733	573,301	585,638	585,638	1,124,000	---	585,638
Florida.....	96,400	73,236	66,017	73,236	58,580	61,149	61,149	105,000	---	61,149
Alabama.....	444,200	274,907	304,197	304,197	243,321	229,535	243,321	463,000	---	243,321
Mississippi.....	15,400	9,272	10,546	10,546	8,436	7,742	8,436	15,000	---	8,436
Total southeast area.....	1,629,800	1,077,190	1,116,120	1,123,339	898,537	899,406	913,886	1,733,000	1,665	915,551
Arkansas.....	8,600	5,473	5,880	5,880	4,710	4,570	4,710	8,000	---	4,710
Louisiana.....	4,000	2,506	2,739	2,739	2,191	2,092	2,191	5,000	---	2,191
Oklahoma.....	241,400	183,600	165,316	183,600	146,858	153,298	153,298	325,000	---	153,298
Texas.....	723,600	451,200	495,536	495,536	396,369	376,732	396,369	836,000	---	396,369
New Mexico.....	10,000	5,959	6,848	6,848	5,478	4,975	5,478	14,000	---	6,027
Total southwest area.....	987,000	648,738	676,328	694,612	555,606	541,607	562,046	1,188,000	549	562,595
Arizona.....	500	342	342	960	768	801	801	500	---	801
California.....	500	1,257	342	1,257	1,005	1,050	1,050	500	---	1,050
Missouri.....	500	279	342	342	274	233	274	500	---	274
Total others.....	1,500	2,496	1,026	2,559	2,047	2,084	2,125	1,500	---	2,125
Acreage reserved for new farms.....	---	---	---	---	17,711	17,711	17,711	---	---	17,711
Total United States.....	3,065,500	2,100,000	2,100,000	2,192,086	1,771,117	1,771,117	1,806,017	3,381,500	62,843	1,868,860

¹ Basis revised acreage data contained in crop report released July 11, 1950.² Column 4 reduced proportionately to a United States total of 1,771,117 acres, with acreage reserved for new farms of 17,711 acres.³ Larger of column 5 or column 6.⁴ Maximum acreage to which any State may be increased under proposed legislation.⁵ Approximate and preliminary. For ease of comparison the increase of 62,843 acres is the same as assumed would be added by the proposal of the Department of Agriculture.

Source: Fats and Oils Branch, PMA Program Analysis Division.

Mr. WOOLLEY. The calculations shown on the tables distributed are preliminary and subject, particularly those showing approximate increases which would be made in allotments for Virginia and Valencia type peanuts under the various proposals and the allotments shown for 1952. For example, on the table labeled "Peanuts: Indicated 1951 acreage allotments under S. 742"—and I would hasten to add there are a large number of tables there, and you have to be careful which one you are looking at, because they have a great deal of similarity in many respects—an increase of 62,843 acres in allotments for Virginia and Valencia type peanuts has been apportioned in column 9 for ease of comparison with the approximate increases which would be brought about by the Department of Agriculture proposal. However, much larger increases are permitted under the "type" provision of S. 742; in fact, individual State allotments could be increased to equal the 1947 harvested acreage for the State as shown in column 8 of the table. H. R. 2615 would permit "type" increases without any limitation and circumstances may arise in the future which would make this desirable.

For 1952, State acreage allotments, excluding possible increases under the "type" provision of S. 742, would be determined through a pro rata apportionment of the national acreage allotment to States on the basis of the entries in column 7 of the attached table relating to S. 742. Under the Department proposal, State acreage allotments for 1952 and subsequent years, excluding increases for Virginia and Valencia types, would be determined by apportioning the national acreage allotment to States on the basis of the entries shown in column 5 of the table relating to S. 742.

In summation, I would like to say that the Department of Agriculture has two basic objectives insofar as peanut legislation is concerned. We would like to see legislation enacted to provide specific means of establishing allotments for Virginia- and Valencia-type peanuts, or any other types which might become in short supply, sufficient to result in a production of these types adequate to meet the demand for cleaning and shelling purposes.

We do not approve of apportionment methods which would increase the acreage allotment for any type of peanuts above the estimated demand for such types.

I would like to point out again the urgent necessity for early action to permit the increase of allotments for States and farms producing Virginia- and Valencia-type peanuts. As the situation now stands, the Government is in an untenable position since, pursuant to existing legislation, the 1951 acreage allotments for Virginia- and Valencia-type peanuts have been reduced substantially below the acreage required to obtain production sufficient to meet demand. Although I have not attempted to do so in this statement, I should be glad to discuss and explain the tables which have been distributed to you, and also any other items pertaining to the question of peanut legislation.

The provisions of S. 742 and H. R. 2615, as well as the legislation suggested by the Department, are so substantially similar that it would be a mistake not to enact one of these bills promptly.

Senator AIKEN. I notice the Department of Agriculture recommendation would result in almost exactly the same acreage as recommended by the American Farm Bureau Federation.

Mr. WOOLLEY. That is correct. It is strictly a question of details of arithmetic.

The CHAIRMAN. Are there any questions?

Senator HOLLAND. I would like to ask this question. The so-called oil type of peanuts were stepped up very largely during World War II in volume of production at the request of the Government.

Mr. WOOLLEY. That is correct, sir.

Senator HOLLAND. Is there any program now underway for again stepping up that type of production in connection with the present defense effort?

Mr. WOOLLEY. We feel that the present fats and oil situation, as far as the United States is concerned, is such that we are not warranted in producing peanuts for oil on a subsidized basis. We think we can get our oil requirements much more efficiently and cheaply through the production of soybeans, and we think this prospective 1951 planting of cotton will produce an abundant supply of cottonseed, which also will be a more economical way of producing oil than from peanuts.

Senator HOLLAND. Is that another way of saying you see no place in the present defense picture for any increased production of oil peanuts?

Mr. WOOLLEY. At this time, that is correct and I want to make it clear that I am referring to subsidized production.

Senator HOEY. The main thing, as I understand it, the main purpose of this legislation is to increase the acreage for the Virginia and Valencia type, which is in short supply and which does not meet the demand.

Mr. WOOLLEY. That is correct, sir.

Senator HOLLAND. Let me ask one more question on that. Does the Virginia and Valencia type require a price-support program to assure its prosperity?

Mr. WOOLLEY. Today, with the supply and demand situation the way it is, you would not need a price support on the Virginia type peanuts, but that would not be true over a period of time, I am pretty sure.

Senator HOEY. The law does not separate types.

Mr. WOOLLEY. That is correct.

Senator AIKEN. How does the fats and oils situation compare with 1941? Are we in a much better position now than we were then?

Mr. WOOLLEY. We have a much larger supply of linseed oil, for example, we have practically an entire year's supply of that on hand. We have a production of soybeans at a level which is much higher now than it was in 1941.

Mr. PRICHARD. I would like to say, Senator, at that time—1941—we were a deficit nation and, as such, we were justified in subsidizing the production of peanuts and other commodities, to make ourselves independent, but now we are a surplus producer.

Senator AIKEN. We had to get oil from any source at any cost.

Mr. PRICHARD. That is right.

Senator AIKEN. That is not true at the present time?

Mr. PRICHARD. That is right.

The CHAIRMAN. Thank you very much, Mr. Woolley. We will adjourn to 2 o'clock.

(Whereupon, at 11:50 a. m., the committee adjourned to reconvene at 2 p. m., this same day.)

(Information requested by the committee is as follows:)

44 PEANUT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

UNITED STATES DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington 25, D. C., February 26, 1951.

HON. ALLEN ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This letter includes the material we agreed to supply for the record of the hearings conducted by the Committee on Agriculture and Forestry on February 19, 1951, on S. 742, introduced by Senator Hoey, to amend the Agricultural Adjustment Act of 1938, as amended, with respect to peanuts.

The attached table I, Peanuts: Summary of CCC Operations—1949 Crop as of December 31, 1950, shows the relationship between the purchases of peanuts by CCC and the total production of peanuts by areas. All these purchases have been disposed of by CCC. Shelled peanuts purchased under the No. 2 program were sold either domestically for crushing or for export for crushing.

The attached table II, Peanuts: Purchases by CCC Produced on Quota Acres—1950 Crop, as of February 3, 1951, shows the quantities of "quota" peanuts purchased by CCC from the 1950 crop through February 3, 1951. The table excludes purchases of "excess" peanuts purchased under provisions of Public Law 471, Eighty-first Congress. Additional purchases will be made as the marketing year progresses.

The Virginia-Carolina area produces the Virginia-type peanuts. Runner and southeast Spanish types of peanuts are produced in the southeast area. Southwest Spanish-type peanuts are produced in the southwest area. A small quantity of Virginia-type peanuts are produced in the southeast area and a small quantity of Spanish-type peanuts in the Virginia-Carolina area. Small quantities of Valencia-type peanuts are produced in the Virginia-Carolina area and in the southwest area.

The attached table III, Inventory Transactions, 1948 and 1949 Crop Peanuts—All Cooperatives Compared with Growers' Peanut Cooperative through December 31, 1950, provides further details. The data for all cooperatives represent the United States total. The data on the Growers' Peanut Cooperative represent the total for the Virginia-Carolina area in which by far the major part of Virginia type peanuts are produced.

Although no statistics are maintained on the proportion of No. 1 grade of peanuts of the 1949 crop going into the No. 2 peanut purchase program, we estimate that roughly 35 percent of the No. 1 shelled peanuts in areas other than the Virginia-Carolina area went into the No. 2 program.

In the afternoon session of the committee hearing, it is understood that Senator Holland requested information regarding the acreage of peanuts produced in 1950 under the provisions of Public Law 471, Eighty-first Congress, permitting the production of peanuts for oil, and also the quantity of peanuts used for commercial edible purposes and the quantity used for oil in relation to total production.

It is not possible at this time to give an accurate figure on the acres of "excess" peanuts produced in 1950 under the provisions of Public Law 471, since this information can be developed only on an individual farm basis. Data of this type have not yet been completed in the State PMA offices. However, calculated on an individual State basis, the 1950 acreage of peanuts picked and threshed exceeded State allotments by approximately 129,000 acres. Since some underplanting can be expected on individual farms, it has been assumed that approximately 160,000 acres of excess peanuts were produced in 1950 under the provisions of Public Law 471.

In order to supply the information requested regarding the quantity of peanuts used for domestic commercial use and for oil in relation to total production, we are submitting the attached table IV, Peanuts: Comparison of Production, Domestic Use for Commercial Edible Purposes, and Peanuts Crushed Domestically and Exported for Crushing—Crop Years 1945-49 Average, 1949, and Estimated 1950 (Farmers Stock Basis). The domestic commercial edible use of peanuts during the 1950 crop year is currently running somewhat behind 1949 but ahead of 1948. Therefore, in table IV we have assumed a domestic commercial edible use of 450,000 tons for 1950 which would represent about 44 percent of 1950 production.

It is believed that the information contained herein answers all the questions for which we were to supply additional information. If we can be of any further assistance to you, please do not hesitate to call upon us.

Sincerely yours,

FRANK K. WOOLLEY, *Deputy Administrator.*

TABLE I.—Peanuts: Summary of CCC operations—1949 peanut crop as of Dec. 31, 1950

Area	Total production, farmers' stock basis (1)	Shelled peanuts purchased by CCC (2)	Column 2 converted to an estimated farmers' stock basis (3)	Farmers' peanuts purchased by CCC (4)	Total purchases by CCC farmers' stock basis (column 3 and column 4) (5)	Total purchases by CCC as a percent of total production (6)	CCC losses on No. 2 peanut purchase program (7)	CCC losses on stock peanut program (8)	Total CCC losses (9)
Virginia-Carolina	Tons 224,582	Tons 28,455	Tons 42,560	Tons 547	Tons 43,107	Percent 19.5	\$5,130,349.42	\$13,857.73	\$5,116,491.69
Southeast	486,465	150,700	221,845	13,645	235,490	48.4	25,389,810.25	867,248.45	26,257,058.70
Southwest	229,865	56,295	77,841	23,061	100,902	43.9	7,025,015.24	1,270,001.19	8,295,016.43
Total	937,912	244,450	342,246	37,253	376,499	40.5	37,545,174.91	2,123,391.91	39,668,566.82

1 Gain.

NOTE.—Purchase and losses partly estimated for southeast and southwest areas; data for Virginia-Carolina area and United States total are actual.

Source: Fats and Oils Branch, Program Analysis Division, Feb. 26, 1951.

TABLE II.—Peanuts: Purchases by CCC of peanuts produced on quota acres, 1950 crop as of Feb. 3, 1951

Area	Total production (1)	Shelled peanuts purchased by CCC (2)	Column 2 converted to an estimated farmers' stock basis (3)	Farmers' stock purchased by CCC (4)	Total purchases by CCC farmers' stock basis (5)	Total purchases by CCC as a percent of total production 1 (6)
Virginia-Carolina	Tons 236,645	Tons 8,935	Tons 13,370	Tons 0	Tons 13,370	Percent 5.6
Southeast	553,457	54,367	75,756	31,578	107,334	19.4
Southwest	229,110	14,430	19,953	1,368	21,321	9.3
United States total	1,019,212	77,732	109,079	32,946	142,025	13.9

1 This percent is correct only for the incomplete marketing year as of the date of this report. As additional peanuts are purchased later in the marketing year, these percents will increase.

Source: Fats and Oils Branch, Program Analysis Division, Feb. 26, 1951.

TABLE III.—*Inventory transactions, 1948 and 1949 crop peanuts—All cooperatives compared with Growers Peanut Cooperative through December 31, 1950*

ALL COOPERATIVES

	1948 crop				1949 crop			
	Shelled		Farmers' stock		Shelled		Farmers' stock	
	Pounds	Cost	Pounds	Cost	Pounds	Cost	Pounds	Cost
Purchases.....	597,130,049	\$90,758,310.28	312,818,252	\$33,475,914.25	488,918,958	\$73,196,045.66	74,505,263	\$7,695,442.86
Received from shellers 1.....	82,606,225	13,491,129.74						
Processing costs.....		905,355.80						
Carrying charges.....		1,459,281.97				302,598.81		297,135.90
Inventory adjustments.....	17		941,899	95,688.08	514	72.02	1,068	112.70
Sales:								
Export:								
Cost.....	460,673,611	73,063,283.61			75,014,121	11,361,297.44		
Proceeds.....		73,318,248.71				10,641,829.20		
Edible and seed:								
Cost.....			22,066,200	2,128,588.82			32,428,550	3,488,649.29
Proceeds.....				2,152,297.92				3,640,907.00
Domestic for oil:								
Cost.....	219,061,157	33,550,745.57	162,886,375	18,405,240.72	413,882,561	62,128,025.86	38,702,316	4,125,533.24
Proceeds.....		17,437,853.82		8,791,096.53		25,309,519.54		2,152,204.94
To shellers for shelling 1.....			121,754,297	13,509,280.84				
Inventory adjustments:								
Cost.....	1,523	48.61	6,453,279	437,175.28	22,790	9,393.19	3,375,465	348,508.93
Proceeds.....				188,801.53		2,120.82		46,074.91
Net gain or loss (-).....		-15,857,975.25		-9,743,120.76		-37,545,174.91		-2,123,391.91
See 32 expenditures.....	2,159,277,580	210,167,023.28			3,62,032,959	34,559,192.19		

GROWERS PEANUT COOPERATIVE

Purchases.....	80,586,030	\$13,507,192.59	90,173,248	\$9,574,132.11	56,909,393	\$8,663,898.93	1,034,670	\$137,056.50
Received from shellers ¹	41,781,274	6,948,542.02						
Processing costs.....		466,490.18						
Carrying charges.....		208,465.38		283,251.17				3,974.33
Inventory adjustments.....	17				42			
Sales:								
Export:								
Cost.....	92,993,325	15,634,926.64						
Proceeds.....		15,369,746.65						
Edible and seed:								
Cost.....			10,287,582	1,755,331.93			1,066,677	108,325.08
Proceeds.....				1,770,781.37				123,846.49
Domestic for oil:								
Cost.....	35,373,496	5,495,763.53	6,742,680	1,123,877.27	56,909,428	8,668,896.03		
Proceeds.....		2,440,710.24		378,281.48		3,638,547.51		
To shellers for shelling ⁴			64,142,986	6,948,542.02				
Inventory adjustments:								
Cost.....				9,632.06	7		27,993	2,715.75
Proceeds.....				9,632.06				1,052.07
Net gain or loss (-)		-3,311,233.28		-730,146.35				13,867.73
Sec. 82 expenditures.....	65,923,199	34,479,106.94			0	-5,130,349.42		

¹ Loss in weight in shelling: 39,078,070 pounds. Work in process adjustment, 70,002 pounds.² Fiscal year 1950 funds.³ Fiscal year 1950 funds.⁴ Loss in weight in shelling—22,361,712 pounds.

TABLE IV.—*Peanuts: Comparison of production, domestic use for commercial edible purposes, and peanuts crushed domestically and exported for crushing—crop years 1945-49 average—1949 and estimated 1950*

[Farmers' stock basis]

	Production	Domestic disappearance commercial edible purposes		Crushed domestically for oil		Exported for crushing for oil	
		Quantity ¹	Percent of production	Quantity	Percent of production	Quantity	Percent of production
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1945-49 average-----	1,000 tons 1,048	1,000 tons 494	47.1	1,000 tons 248	23.7	1,000 tons 137	13.1
1949-----	938	451	48.1	302	32.2	57	6.1
1950-----	1,019	² 450	44.2	^{2 3} 405	39.7	^{2 3} 25	2.4

¹ Includes about 5 percent oil stock or inedible grade peanuts which are crushed for oil. The tonnages shown represent the quantity of farmers' stock peanuts processed to obtain sufficient quantities of "edible-grade" peanuts to meet domestic use for commercial edible purposes. The oil-stock peanuts are duplicated in the quantities shown as crushed or exported for crushing but this duplication is necessary in developing detailed peanuts statistics. Excludes exports for edible purposes which averaged 32,000 tons during 1945-49 but only 8,000 tons in 1949.

² Estimated. Crashings predicated on no appreciable increase in stocks.

³ Assuming 135,000 acres of excess peanuts grown for oil of types other than Virginia or Valencia type declared in short supply, it is estimated that approximately 50,000 tons of the estimated quantity to be crushed or exported for crushing will represent excess peanuts. The remainder would be peanuts produced on quota acreage and would be eligible for price support.

Source: Fats and Oils Branch, PMA, Program Analysis Division Feb. 26, 1951.

AFTERNOON SESSION

The CHAIRMAN. The meeting will be in order.

Is Mr. Lynn present?

Mr. LYNN. Yes, sir; right here.

The CHAIRMAN. If so, step forward, please.

All right, Mr. Lynn. Will you state your name in full and your present position?

Mr. LYNN. John C. Lynn, associate director of the Washington office of the American Farm Bureau Federation.

The CHAIRMAN. You may proceed, Mr. Lynn.

STATEMENT OF JOHN C. LYNN, ASSOCIATE DIRECTOR, WASHINGTON OFFICE, AMERICAN FARM BUREAU FEDERATION; MATT TRIGGS, ASSISTANT DIRECTOR, WASHINGTON OFFICE, AMERICAN FARM BUREAU FEDERATION; R. FLAKE SHAW, PRESIDENT, NORTH CAROLINA FARM BUREAU FEDERATION, GREENSBORO, N. C.; WILLIAM B. RAWLINGS, VIRGINIA FARM BUREAU FEDERATION, CAPRON VA.; H. L. WINGATE, PRESIDENT, GEORGIA FARM BUREAU FEDERATION, MACON, GA.; AND JOHN I. TAYLOR, PRESIDENT, OKLAHOMA FARM BUREAU FEDERATION, OKLAHOMA CITY, OKLA.

Mr. LYNN. If I might state, sir, the list that I have here will appear in support of the position we are taking; that is, unless you have some questions you would care to ask them, and then you could call upon them for a statement.

The CHAIRMAN. Suppose these people step forward here, all of them. Are they all in the audience?

Mr. LYNN. Yes, sir. Here they are, sir, Mr. Triggs, Mr. Shaw, Mr. Rawlings, Mr. Wingate, and Mr. Taylor.

The CHAIRMAN. Suppose you gentlemen sit at the end over there. I guess we will have a few more Senators coming out this afternoon, or I hope so, anyhow.

All right, proceed, sir.

Mr. LYNN. The American Farm Bureau Federation, recognizing the need for revision of the present peanut marketing quota legislation, has made several attempts to develop, with producer representatives, satisfactory recommendations to accomplish the needed changes in this legislation.

At the request of producer representatives, the American Farm Bureau Federation board of directors authorized the calling of a meeting on January 8, 1951, for the purpose of developing recommendations for revision of peanut marketing quota legislation that could be agreed to by peanut producers from the various States.

The meeting was well-attended by a representative group of peanut producers from each of the major peanut-producing States. A list of those in attendance at the meeting is attached hereto for your information.

At this meeting unanimous agreement was reached on the following major points:

1. That legislation in this session of Congress and prior to the 1951 planting season is imperative.

2. That present legislation should be amended to insure that production of peanuts of types in short supply will be adequate to meet the demand for such types.

3. That the formula for allocating the national peanut allotment among the States should include as a basis for such allocation (1) the average acreage of peanuts during the period 1945-49 and (2) the 1950 allotments prior to Public Law 471.

4. That provisions should be made for the transfer of unused acreage allotment.

The bill under consideration by this committee, S. 742, accomplishes all the objectives outlined above. We therefore recommend its approval.

The House Committee on Agriculture recently approved a bill, H. R. 2615, which is similar in most of its provisions to S. 742. Of the two bills we favor S. 742 as more nearly representing the agreement of producers as outlined above.

The major differences between the two bills are as follows:

1. H. R. 2615 would involve increasing the 1951 national peanut acreage allotment already announced by an additional 79,083 acres, plus whatever is required to increase the allotment for types in short supply. S. 742 would increase the 1951 allotment by only 34,900 acres, plus the type adjustment.

2. The provisions of H. R. 2615 involve a slightly different distribution of the national peanut acreage allotment among the States than S. 742.

3. S. 742 provides a permanent formula for allocating the national allotment among the States. H. R. 2615 establishes a formula which would be used for a period of 4 years, after which the national allotment would be divided among the States in accordance with the moving average harvested acreage during the preceding 5-year period.

The CHAIRMAN. Are you certain as to the number of acres that this would increase under 742, at 34,900?

Mr. LYNN. Yes, sir; that is on table 1, attached to the statement.

The CHAIRMAN. As I understood in this morning's testimony, perhaps that of Senator Hoey, that the amount it would be increased in his bill would be 68,000.

Senator HOEY. That was in some of the other statements; you mentioned it to me.

Mr. LYNN. Sir you understand, this 34,900 is not Virginia-Carolina, this is for the other type peanuts.

Senator HOEY. So added together you have 68.

The CHAIRMAN. Why do you put it at only 34,900?

Mr. LYNN. 34,000 is the increase in the areas outside of Virginia and Carolina types.

Senator THYE. 34,900 in other areas?

Mr. LYNN. That is right.

Senator THYE. That is the number of acres?

Mr. LYNN. That is right.

Senator THYE. Do you need an increase, when you have had such tremendous surpluses, and you have been floundering around under those surpluses, costing the Government millions in losses in the support program?

Mr. LYNN. Well, sir—

Senator THYE. It is only the Jumbo peanut, the edible peanut, the so-called baseball park peanut that seems to be in short supply.

Mr. LYNN. That is right.

Senator THYE. I thought we needed to concern ourselves with that more than an increase in the over-all production of oil peanuts.

Mr. LYNN. That is what we are concerning ourselves with, Senator. But the Congress recognized last year that some injustice had been done in Alabama and Texas, and saw fit to allocate them 100,000 more acres under Public Law 471. Therefore, in trying to look at this thing realistically, and hoping to get some agreement, we have taken

into consideration that the Congress recognized there was an injustice in 1950, and have given Alabama and Texas credit for about one-third of that amount in determining the 1951 acreage allotment.

Senator THYE. And that must increase the over-all acreage by 34,900 acres.

Mr. LYNN. That is right.

Senator THYE. Wasn't there an injustice done to the Treasury of the United States, and to the taxpayers, with that additional acreage and those additional peanuts. I think your whole economy suffered, your oils, your fats, and your lards and tallows, all of that suffered, because of that surplus oil that came on to the market.

Senator ANDERSON. Do you think there is enough justification for any increase from the standpoint of demand?

Mr. LYNN. Well, based on the present situation you would have to say no, because there seems to be a surplus of those types of peanuts.

Senator ANDERSON. That being true, is there any real reason why, in order to get justice for Virginia or Carolina, that the Government has to go and pay this extra amount of acreage in order to get justice for the jumbo-type peanut? In other words, in order to get an actual program that is sound, do you have to give 34,000 acres to somebody in order for them to help you get what is plainly a good bill?

Mr. LYNN. Well, there you put me somewhat on the spot, Senator, because I am trying to represent—

Senator ANDERSON. It is a spot the Congress is on, very definitely. They are going to be criticized. The same thing that is happening now will happen a year from now. They will say: "We lost a whole lot of money in the peanut program last year. Why? Because Congress, when it knew it already had a surplus, voted to have an additional surplus."

The CHAIRMAN. How can we justify losses of \$40,000,000 in 1949 and over \$20,000,000 in 1950, and then add to that? Don't you see that it is going to affect our whole program?

Mr. LYNN. Well, sir, the American Farm Bureau Federation certainly wants to get this peanut program on a pay-as-you-go basis, just as quickly as possible.

The CHAIRMAN. But you are not doing that. You are aggravating the situation.

Senator ANDERSON. It is going to be a lot worse, because we have already seen all the Virginia-Carolina acreage in 1949 cost \$13 an acre for every acre of peanuts they planted, when the Department bought 5 percent only of the crop, just the No. 2's, 5 percent of the crop.

Now you are going to increase the quotas to the growers another 25 percent or so, which will give you an extra quantity of No. 2's. That will increase the cost of the Virginia-Carolina program then, and because of that you are going to increase the cost in every other State, because it is not fair to just increase it in those States, but you will have to keep increasing it. Where are you going to stop this thing?

Mr. LYNN. I would like permission for these producer, State Farm Bureau Federation representatives to discuss that point.

The CHAIRMAN. Before you make your statement, will you give us your name, please?

Mr. WINGATE. H. L. Wingate, president, Georgia Farm Bureau Federation, Macon, Ga.

Senator, this cost—in other words, it did cost last year, but with this 34,000-acre increase under our agreement there, plus the seventy-odd thousand or 68,000 that might be increased to bring up the short supply of the Virginia-North Carolina types, under this year's program that we have mapped out, we will still be reducing the acreage approximately 260,000 acres over last year's production.

Mr. LYNN. That is in the next paragraph.

Mr. WINGATE. This is an increase over the regular allotment, that 34,000 is, but it is to correct this injustice, but this 34,000 increase, plus the sixty-eight or sixty-odd thousand increase for the Virginia-North Carolina will still lack approximately 260,000 acres of being as many peanuts planted this year as was last year.

The CHAIRMAN. That 200,000 acres to which you refer is the acreage on which the Government pays in subsidy.

Mr. WINGATE. No, sir.

The CHAIRMAN. You are simply permitted to plant it, and the oil is extracted and, then the farmers are paid.

Mr. WINGATE. No, sir; this is in the quota acreage. We have cut it. This year's quota acres, after you add the 34,000, and after you increase for the short supply of Virginia and North Carolina, then still the quota acres will be 260,000 acres less than last year, which will take care of this cost. It will not be an expense to the Government.

The thing that I am afraid of is that we will practically get caught in the position that we were in with cotton.

The CHAIRMAN. Who is giving up that 200,000 acres to which you refer?

Mr. WINGATE. The quota producers.

Mr. WYNN. It is coming out of the national picture.

Mr. WINGATE. It is coming out of the entire national allotment.

The CHAIRMAN. What States are going to be the largest losers?

Senator ANDERSON. Is there a table that shows?

Mr. WINGATE. Yes, sir.

Senator ANDERSON. Which table?

Mr. LYNN. The first one.

Mr. WINGATE. They all share exactly alike, except we figured this 34,000 acres to partly compensate for what Alabama and Texas suffered last year.

The CHAIRMAN. Let me ask you this: Suppose we were to permit the planting of peanuts in the same amount as were planted last year—as contrasted to what is contained in S. 742—would the losses to the Government be as great, or less?

Mr. WINGATE. The losses to the Government would, in my opinion, be less, because the consumption would increase, but you would have the same situation if the consumption did not increase during this period, you would naturally have the same loss you had last year, except this, Senator, we had the heaviest yield belt-wide last year in peanuts in the history of the country.

The CHAIRMAN. What caused that?

Mr. WINGATE. It just happened.

The CHAIRMAN. You used a lot of fertilizer, and the planting areas, and other changes in production.

Mr. WINGATE. In my area, and I am in the real peanut-producing area, it had more to do with the weather conditions than anything else.

The CHAIRMAN. Let me put this question to you:

I think Mr. Woolley testified this morning that the producers of edible peanuts had a very good market for their No. 1's; as a matter of fact, they sold above parity.

Mr. LYNN. Yes.

The CHAIRMAN. Since we are in need of the production of more edible peanuts, why not let the farmers grow as much as they want without protection from the Government? In other words, let the sky be the limit. Let them plant them, if the demand is so great as they say it is, and not receive the protection, exclude them entirely from the program.

Mr. LYNN. We would hope that the Secretary would increase the Virginia-Carolina types to the point where the Government would not have to enter into the picture at all.

The CHAIRMAN. Except for the No. 2's.

Mr. LYNN. Except for the No. 2's, and that No. 2 program is—well, it has a lot of “bugs” in it that we think might be removed.

The CHAIRMAN. Would you see any objection to the enactment of legislation that would remove the Government quotas or any acreage allotments for those who produce these peanuts that are in such big demand now?

Mr. LYNN. Well, peanuts are so interchangeable even though the Virginia-Carolina type are the ones that are most edible, this jumbo type [indicating]—they are pretty much interchangeable when it comes to peanut butter, oil, and so forth, and I would be afraid that we would overproduce these jumbo types very quickly, because, for example, in Alabama—

The CHAIRMAN. That was not the evidence presented here.

As I remember, the last time we held hearings, evidence was presented to the effect that land in Virginia, a part of North Carolina, and part of South Carolina—I think those were the only three States—were the only ones in which you can grow these jumbos and Valencias.

Mr. LYNN. Alabama, according to their recent experiments, is proving that they can grow this type of peanut.

Senator ANDERSON. Then why don't they do so? Because it is not as profitable as their other type. Isn't that the answer?

Mr. LYNN. I think so.

Senator ANDERSON. In other words, it is better to grow them for the Treasury than it is to grow them for the trade, isn't that the size of it?

Mr. LYNN. I hope not.

Senator ANDERSON. Isn't that the real guts of it.

Mr. LYNN. It may be. But we certainly are not for that kind of legislation.

Senator ANDERSON. Well, then, why don't we provide so they can grow all of the jumbo type they want, and not give them extra acreage of any kind for the other things that cost the Treasury money?

Mr. LYNN. We provide in our recommendations contained in 742 that the 1947 acreage be the limit for the jumbo or any type.

Senator ANDERSON. Why should it be limited, so long as it does not supply the demand?

The CHAIRMAN. We could not find out what the demand was this morning. We don't know how many acres it will take to supply that demand. Do you have any estimate of it?

Mr. LYNN. The best calculation we can make, and we have to depend upon the Department of Agriculture for that, would be about 90,000 acres increase for the Virginia-Carolina type.

Senator ANDERSON. Did they give you that figure? They could not give us one this morning. All they could give us was the amount of pounds.

Mr. LYNN. It all comes to the same thing. If they tell us how many pounds we can figure how many acres it takes to produce that amount of pounds.

The CHAIRMAN. Would that be sufficient acreage in the three States to make up this 90,000?

Mr. LYNN. Yes.

The CHAIRMAN. Would there be any excess?

Mr. LYNN. There are other acres that could be used in addition to that.

The CHAIRMAN. For the same kind of peanut?

Mr. LYNN. Yes, sir.

The CHAIRMAN. Let me ask you another question. Can you give us any justification as to why it is that if No. 1 peanuts sell for a price that returns to the farmer 90 percent of parity, why we should pay the farmer anything on the No. 2's?

Mr. LYNN. Well, that No. 2 program, as I understand it, sir, is a surplus removal program.

The CHAIRMAN. Yes.

Mr. LYNN. That is, the No. 2 peanuts are interchangeable with the Spanish and other types that are grown in Georgia and in Alabama.

The CHAIRMAN. Interchangeable with what—with oil?

Mr. LYNN. No, with peanut butter, primarily peanut butter or oil.

The CHAIRMAN. Yes.

Mr. LYNN. Now, if the Government don't take the No. 2's out of the Virginia-Carolina area, they have just got to take more of the peanuts in the Georgia-Alabama area or other States.

The CHAIRMAN. Wouldn't that decrease, to a large extent, the cost of operating this program for the Government?

Mr. LYNN. Well, the Department of Agriculture says, and we have to rely on them, sir, for this, that they have manipulated this thing so as to cost the Government less in handling the No. 2's in Virginia and Carolina. They say it is a less expensive operation than to handle more of the runner type down in Georgia and Alabama.

Senator ANDERSON. Well, when the program costs \$50,000,000 a year you can judge for yourself how well they have manipulated it.

Mr. LYNN. We are not very happy with the way it has gone, Senator.

Senator ANDERSON. It is quite obvious if they would let the No. 2 peanuts go on the market, instead of dumping them into the grinding-up process, you would establish a price. That price, if you got to peanut oil, might be effective to this acreage that has been grown, but that extra acreage is not moving on the market as the law contemplates.

It was all explained that the extra peanuts would be allowed to stand on their own feet in the competitive market, they would bring what they could bring separately when sold.

Now we have them here all lumped together, and the price of all is protected by the Department of Agriculture. That was not the purpose of the George amendment as it was presented on the floor, was it?

I mean, they were to be excess peanuts, but there is no excess peanut production.

Mr. WINGATE. I think I could answer that. Do you mine, Senator?

Senator ANDERSON. I would be happy to have you give me the answer.

Mr. WINGATE. I think this, they are lumped together, but they have separate records for what we call excess peanuts, there is a record of the peanuts produced. That tonnage must be crushed. Here is where the misunderstanding comes in. They may have an excess of a hundred thousand tons of excess peanuts and put it into the edible trade over here, and crush a hundred thousand tons of edible peanuts.

In other words, you have to balance it off. It is a question of the Government getting out of it the cheapest way they can. Do you see that?

Senator ANDERSON. I think they are getting out the most expensive way they can. If they would follow the law, and the explanation of the law that was made, they would take the excess payments and only act as a marketing agent.

Mr. WINGATE. That is what they are doing, as I understand it.

Senator ANDERSON. The testimony is that they are not doing anything of that nature, but the difficulty is that the law, as it was drawn, said that the farmer could plant these excess peanuts up to the 1947 acreage, that the Government would take all of them, would market them separately, and return that money to the producer.

Somebody stopped the Government from doing that. I think that is wrong. I mean, I think if they were going to have this provision under the law they should live up to what it says. They should all be dumped on the market. We said at the time if you did that it would break the market for the other No. 2's you were buying. I think it was important to go through with that, to prove that it would break the market.

But for some reason they did not market it that way, because they did not want to prove it was true exactly as we said, namely, that they would break the market.

Mr. WINGATE. I really think it is a misunderstanding. If you will get the Department officials in here, because I certainly checked with them, because I have been worried about it—I think where the misunderstanding is, is in the transfer. Say I produced a hundred tons of excess peanuts down there, and they wanted to use them in the edible trade there, and it was cheaper to crush a hundred tons of edible grown peanuts over near Alabama somewhere, or over in South Carolina.

I think there is a misunderstanding about that exchange. If they are putting them into the market they are definitely not carrying out the law.

I think you will find, if it is clearly understood, that it is just an exchange, and they are not actually putting them in there.

Senator ANDERSON. As I understood the testimony this morning, and the record will finally review what is right on this thing. The Department should first set aside the 80 percent of peanuts if that amount had been properly grown, and then 20 percent remained that had been grown under section G of the George amendment,

so-called, but what they did was to sell the whole 100 percent, and return to the farmer his share of the 20 percent, and return to the Treasury its proportionate 80 percent of all the peanuts disposed of. They are mixed all the way through.

It was quite clearly presented to us what the Secretary would do:

All peanuts received under this subsection by such agency shall be sold by such agency for three specified purposes.

My understanding is that not a single peanut is ever separated from all the rest of the crop. They are all sold as one large venture, including all the quota and nonquota peanuts.

Do you have any information that there is a differentiation between quota and nonquota peanuts?

MR. WINGATE. This is the only information I have, that they definitely have lined up to crush the total tonnage produced on excess peanut acreages.

Senator ANDERSON. That is right.

MR. WINGATE. They have not been kept separate, but the tonnage will be.

MR. LYNN. Well—

Senator ANDERSON. I understand that, but they are all marketed right along with the quota peanuts, isn't that true, Mr. Wingate?

MR. WINGATE. No, sir.

Senator ANDERSON. Where are they marketed differently, then?

MR. WINGATE. The excess peanuts are crushed—through the oil market, and the edible comes through the salters' peanut butter set-up, and that way—

Senator ANDERSON. No; what I mean to say is, there are certain peanuts that are crushed for oil under the regular program, and excess peanuts are crushed for oil.

MR. WINGATE. No. 2's are crushed.

Senator ANDERSON. Is there any different way in which they are handled?

MR. WINGATE. No. 2 and excess all go away together, not your real edible peanut.

Senator ANDERSON. I am not contending that. I am only contending that the No. 2's that are to be crushed, and the excess peanuts are all handled as one transaction.

MR. WINGATE. I imagine that is right.

Senator ANDERSON. Do you think that is what the law would mean?

MR. WINGATE. The No. 2 program has been in operation for several years, and it is an oil proposition straight out, and it goes through because the other is an oil proposition, and that is the reason they were thrown together.

Senator ANDERSON. In the George amendment it was pointed out the two things would be wholly separate. You will find that some questions were asked about it.

MR. WINGATE. The total tonnage, Senator, is not—I mean, all edible and all others.

Senator ANDERSON. I know that.

MR. WINGATE. I misunderstood you, then, just a moment ago.

Senator ANDERSON. What I am trying to say is that all of the excess peanuts which are being crushed for oil as No. 2 runners, and

then all the extra quota, all peanuts planted over the quota that are being crushed for oil, they are not two separate pockets, they are all lumped together, and the proceeds are divided, there is no competitive bidding for it. The Department decides the price, buys it at that figure, and moves it on where it was understood they would be sold separately for what they would bring in the market place.

Senator HOEY. Mr. Wingate, if 742 is adopted, wouldn't that do away with the excess acreage?

Mr. WINGATE. No, sir; it would not do away with the excess acreage, Senator, and that is for crushing purposes. Now, this reduction in quota acreage will take the cost to the Government out of the peanut business. That is, the cost that would amount to anything.

And I would like to say this, gentlemen, we grow a lot of peanuts in Georgia. We have had a peanut program for a long time, and we reached the point where they needed these peanuts after the war for several years, and they asked us not to grow cotton because they needed peanuts worse than they needed cotton. We kept growing them until we reached a point where we needed to cut back, and we were in a position where it looked like it was going to take a 40-percent cut to do the job.

We cleared with the Department officials, and all, and got them to agree to take a 20-percent cut a year, and a 20-percent cut another year, and then keep cutting. It was terrible to give them a jolt like that, to cut them nearly 50 percent, which we have already cut now.

I would like to say that there have been some tremendous costs in other set-ups in our Government in transferring from the war into the other, and I would like to call the attention of this committee to the fact that the peanut program up until 2 or 3 years ago had cost practically nothing. The big cost has come in right now.

Senator HOEY. This bill would make a net reduction of all types of peanuts of about 240,000 to 260,000 acres.

Mr. WINGATE. That is right, after allowing for the increase and the additional 34,000.

Senator HOEY. It would make a net decrease of from 240,000 to 260,000.

Mr. WINGATE. That is right.

The CHAIRMAN. Are you familiar with the so-called George amendment we adopted last year?

Mr. LYNN. Yes, sir.

The CHAIRMAN. Does this 742 repeal that?

Senator HOEY. He says not.

Mr. WINGATE. I don't think it does.

The CHAIRMAN. You don't think it does.

Mr. WINGATE. No, sir; it does not.

Senator ANDERSON. You are pretty sure it does not?

Mr. WINGATE. Yes, sir; it does not.

Senator ANDERSON. So am I.

Mr. WINGATE. No, sir; I did not intend to say that it does repeal that.

Senator ANDERSON. No.

Senator HOEY. Well, you said it did not.

Mr. WINGATE. Yes, sir. I think it does not, but it adds 34,000 acres of what we call an oil peanut, and then it adds what we call the jumbo or the Virginia peanut.

Senator HOEY. No; it is a reduction of 260,000 acres on all of it, all over. This 34,000 is taking the place of 300,000. Now, you see, under the present law, under the planting of last year it reduces it to a net reduction of about 260,000 acres, but it increases it 34,000 over what it would be if this law takes effect for 1951.

The CHAIRMAN. That is, if it permitted last year's plantings.

Senator HOEY. That is right, but you see, if this bill passes there will be a reduction in all peanut acreage, a net reduction of about 260,000 acres.

Mr. WINGATE. If I might add this, Senator—I will try to make it as clear as I can: The allocation that has already been made for 1951 is a little over 300,000 acres below what the quota acres were in 1950.

Senator HOEY. Yes.

Mr. WINGATE. No; it is between 350,000 and 400,000.

Mr. LYNN. It is 393,000.

Mr. WINGATE. It is 393,000 acres less now.

Senator ANDERSON. Than what?

Mr. LYNN. Than the harvested acres last year.

Mr. WINGATE. Than the harvested acres last year.

Senator ANDERSON. What were the harvested acres in the year 1950?

Mr. LYNN. Two million two hundred thousand.

Mr. WINGATE. Two million two hundred thousand.

Senator ANDERSON. No. The harvested acres. What were the harvested acres?

Mr. LYNN. The allotted acres.

Senator ANDERSON. But what were the harvested acres?

Mr. WINGATE. It was as close as they come to planting that. It was less than 2,200,000, a little less, Senator.

Senator HOEY. Two million one hundred thousand.

Mr. WINGATE. That was the harvested.

Mr. LYNN. No, no, that was allotted acres. There were 2,200,000 allotted acres.

Mr. WINGATE. Yes, but the point is this—

Mr. CHAIRMAN. Do you have any figures for the harvested acres? 2,200,000 was the allotted. Now, what was the harvested, do you have that?

Mr. LYNN. I don't know. Do we have the harvested acres here?

Mr. RAWLINGS. I have—

The CHAIRMAN. Will you state your name, sir?

Mr. RAWLINGS. William Rawlings, Virginia Farm Bureau Federation, Capron, Va.

The CHAIRMAN. Go ahead, Mr. Rawlings.

Mr. RAWLINGS. The figures I have are based on August 1, 1950. I believe they may be in some manner adjusted in some manner—1950 was 2,115,000 acres, picked and pressed acres, and we had an allotment of 2,200,000.

The CHAIRMAN. So it was under the allotment, then?

Mr. RAWLINGS. Yes, sir.

Senator HOEY. About 85,000 under the allotment.

Mr. RAWLINGS. That is right.

Mr. SHAW. I would like to say something.

The CHAIRMAN. Give us your name, please.

Mr. SHAW. R. Flake Shaw, president, North Carolina Farm Bureau Federation, Greensboro, N. C.

The CHAIRMAN. Proceed, Mr. Shaw.

Mr. SHAW. I would like to make one comment in connection with Senator Thye's statement about the 34,900 acres. I think it is generally understood that the peanut program suffered worse under the influence of Public Law 12 than any other commodity grown.

The acreage, as such, was disarranged for a greater extent, and I understand from the agreement reached by the producers in the different States that this 34,000 acres of peanuts is recognizing a principle in the peanut program. It was developed by the admission of both Senate and House Agricultural Committees, when they allocated 100,000 acres to fill in the vacuum that had been created by the influence of Public Law 12. The pressure was put on, so you got your acreage disarranged. Then when you came back to the national quota and had to distribute on the basis of past history, it left these two States not in line with the other States, so they recognized it to the tune of 100,000 acres, and that was allocated for 1 year.

When we got together and tried to work out some agreement, this 34,900 acres was recognizing a principle in the law already established by the influence of Public Law 12, and a step in the direction of leveling out some of the things that are permanent and fundamental in the program.

The CHAIRMAN. Before we go any further, I would like to ask someone, either Mr. Wingate or Mr. Lynn: Suppose no law at all were passed, how much less would the acreage be this year than last year?

Mr. WINGATE. I would like to take a shot at that. If there was no law passed at all, we already have a law.

The CHAIRMAN. Yes.

Mr. WINGATE. And it would make it impossible—you see, we have acreage allotments without any law—it would make it impossible for the Secretary to allow these additional peanuts to be grown in Virginia and North Carolina.

The CHAIRMAN. I understand that, but you contended a while ago that by the passage of this law there would be 280,000 fewer acres planted. Do you mean fewer than last year?

Mr. WINGATE. Right.

The CHAIRMAN. If there was no law at all passed how would that acreage compare, that is, this year's acreage with last year?

Mr. WINGATE. At a minimum, 771,000.

The CHAIRMAN. How is that?

Senator ANDERSON. Three hundred and forty-four thousand acres less than last year, that is, against the planted, not the allotted acreage.

Mr. LYNN. That is right.

Mr. WINGATE. But if you go on those figures exactly, we made an error about our 260,000 to 280,000, it would really figure a little over 300,000. It would be a little over 100,000 acres less, if there is no law at all passed.

The CHAIRMAN. I understand, but when you made the statement a while ago that we would have under this law 280,000 fewer acres, you meant in contrast to last year, but not in accord with what the law now is, if we don't pass 742?

Mr. WINGATE. That is right.

The CHAIRMAN. Very well.

Mr. WINGATE. That is right.

The CHAIRMAN. I wanted to make that clear.

Senator ANDERSON. Where is there a table that shows the total amount of increased acreage under this particular bill?

Mr. LYNN. Table 2 attached to the statement. Not those, sir, but the short tables, table 2.

That shows the total acres outside of Virginia and Carolina, sir, because this bill would leave it to the Secretary to determine how many acres up to the '47 acres that would be increased in Virginia and Carolina.

Senator HOLLAND. No, sir, the first—

Senator ANDERSON. If he has 90,000 acres in Virginia and Carolina, and 34,000 here, he would have about 125,000 acres extra.

Mr. LYNN. That is right.

Senator ANDERSON. Over what he normally has.

Mr. LYNN. That is right.

Senator ANDERSON. Do you have any idea how much it would cost the Treasury?

Mr. LYNN. No, sir; we talked it over with the Fats and Oils Branch of the Department of Agriculture, and they have not ventured to give a figure. They say with the improved situation with regards to fats and oils, due primarily to the mobilization effort, and with the reduction that will take place from the harvested acres last year, they see no reason why we should have anywhere near the loss that was experienced in 1950 on that.

Senator HOEY. The 1950 loss was only about half of 1949.

Senator ANDERSON. We have no way of knowing what it is going to be. I can show you some testimony that was taken a year ago that indicated that in 1949 the loss was not going to be very large, either. And I can show you some testimony taken years earlier that there never had been a loss under the peanut program, when we had staggering losses year after year after year, but they have been somewhat concealed in the program. There never has been a year in the last 10 years that the peanut program has not cost us millions of dollars.

Senator HOEY. Last year it showed about \$39,000,000 for 1949.

Senator ANDERSON. Yes.

Senator HOEY. I understood the representatives of the Agricultural Department this morning to estimate that approximately \$20,000,000 would be the loss for 1950, as near as they can estimate it at this time.

Senator ANDERSON. And I can show you their estimates on potatoes for 1950, and many other things, and they are way down low on those things sometimes.

My only concern is this: I am very anxious to give the extra acreage that is necessary for the growing of the jumbo-type peanuts. I don't think those peanuts would only be grown in Virginia and Carolina, but I think Alabama and Georgia can grow that type pretty well. I think they ought to be encouraged to grow them for the trade instead of growing the other type that costs the Government a lot of money.

I object to adding 34,900 additional acres when we know that the addition of 90,000 acres will cost the Government money, because the

testimony shows every time you plant an acre of peanuts, even the Virginia-Carolina type, that they run on the purchase of No. 2's alone a cost of \$13 an acre on only 5 percent of the crop.

Now, if you would take and average this thing out across the country on all the crops grown, the Government cannot afford \$13 an acre subsidy, when a farmer is already getting \$200 an acre off his crop. It is impossible. That is something that disturbs me a little bit, because there are thousands and millions of acres of agricultural land in this country, and if you added it all in, and started keeping going with this sort of program, there is no telling where you would end up.

Any time we add to the extra burden we are in trouble.

Mr. LYNN. I would like to point out in this connection that if you should see fit to adopt 742, and we add 90,000 acres to the Virginia-Carolina type, and that is just our best estimate as to what it would take, we would still come out in 1951 with 218,983 acres less peanuts planted than was harvested in 1950.

The CHAIRMAN. But under the present law you would have that much, more or less, so it is not a savings.

Mr. LYNN. Well—

Senator ANDERSON. I wish you would repeat that. I do not agree with those figures. Will you give it again? You had 90,000.

Mr. LYNN. We had harvested last year 2,115,000 acres, and the provisions of 742 would be, not counting the Virginia-Carolina type, 1,806,107 acres. That is a reduction of 308,983 acres.

Senator ANDERSON. Oh.

Mr. LYNN. Then you subtract 90 from that and you get a total reduction from the 1950 harvested of 218,983.

Senator THYE. Mr. Chairman, may I ask one question?

The CHAIRMAN. Certainly.

Senator THYE. You referred to the harvesting of the 1950 crop, but you are referring, of course, to the question of the allotted acres planted in 1951?

Mr. LYNN. That is right.

Senator THYE. Why don't you use the figures of what you anticipate the harvest will be in 1951, because you are giving us the figures of the harvested crop of 1950?

Mr. LYNN. Well, based on past experience, sir, then we would have to subtract a few acres from the allotted acres, because experience has shown that under these quota programs they seldom ever plant up to the allotted acres.

Senator HOEY. The last time, Senator, it was about 115,000 lower, so if it was the same proportion this would be cut up much more.

Mr. WINGATE. About 5 percent is what they lack of planting it each year.

Senator THYE. You had surpluses from the small acreage harvested a year ago, and we are talking here about allowing an increase.

Mr. LYNN. No, sir; no, sir.

Senator HOEY. It is a decrease.

Mr. LYNN. We harvested last year 2,115,000 acres of peanuts—

Senator THYE. 215,000?

Mr. LYNN. I mean, 2,115,000.

Senator THYE. Yes.

Mr. LYNN. Under this bill that is under consideration it would allocate a total of 1,806,017 acres. All right. There is a reduction of 308,983 acres from last year. Then we estimate that it requires 90,000 for the Virginia-Carolina type. Then you subtract that and you come out with 218,000 total acres allocated less than the harvested acres in 1950.

The CHAIRMAN. That is true, but you could not plant this year what you planted under the present law.

Mr. LYNN. No.

The CHAIRMAN. There is no saving, then.

Senator HOEY. Yes; there is a savings.

The CHAIRMAN. I don't see it.

Senator HOEY. That is a savings on what resulted last year. The law provides for a reduction, and we are not permitted under the present law to plant what was planted. Yes, sir; this will cut it 218,000 less acres than permitted to plant last year.

The CHAIRMAN. But if the law were permitted to take its course, the law now on the statute books, instead of a reduction of 218,000, you would have a reduction of 300,000.

Senator HOEY. That is right, but you still have a short supply.

The CHAIRMAN. That goes back to the short supply of edible peanuts. Well, it strikes me that we might be able to meet that contingency by permitting the planting of these extra peanuts without the Government subsidy.

Senator HOEY. Well, you may not be just doing away with the whole program.

The CHAIRMAN. I don't know, but the point is, Senator—

Senator HOEY. The law does not contemplate dealing separately with any part of the peanuts. We do not have it by types in the law.

The CHAIRMAN. Of course, I do not want to be judged by the questions I am asking as to how I am going to vote on this matter.

Senator HOEY. I understand.

The CHAIRMAN. But I am trying to get to the bottom of it, to see if we cannot figure out some way whereby we can increase the production of these peanuts without shouldering more subsidies on the books of the Government.

Senator HOEY. Here is the situation now: If no legislation is passed at all, the acreage will be reduced over 300,000 acres from last year. If this legislation is passed it will be reduced 218,000 acres from last year, after everything is allowed, so there will be a net reduction of about 218,000 acres over everything, if this 742 is adopted, as to what we planted last year.

Now, if it develops that the loss last year was reduced to somewhere in the neighborhood of \$20,000,000, then with that much more reduction, and with the increase in demand, it is reasonable to expect there would be practically no loss.

So I think we have got to sort of deal with it in the light of the facts that have developed in it.

The CHAIRMAN. All right, Mr. Lynn, you may proceed, sir.

Mr. LYNN. We would point out to the committee that under S. 742 the national peanut allotment for 1951 would be reduced about 300,000 acres below the 1950 national allotment. The Secretary of Agriculture would have authority to add the necessary acres of those types that are in short supply.

We believe that with the improved market situation with regard to oil, coupled with this reduction in acreage from 1950, the Commodity Credit Corporation could avoid any great losses from the operation of this program.

We would emphasize, Mr. Chairman, that this point was considered at great length by the producers in arriving at an agreement with regard to peanut legislation, the provisions of which are contained in S. 742.

Although we favor S. 742 over H. R. 2615, the principal point we want to emphasize is the urgency of early enactment of legislation. The differences between the two bills are relatively negligible. The final enactment of either, or of any compromise between the two bills, would accomplish the major objectives generally recognized by the peanut industry as being sound.

The element of time is all-important. Considerable time must elapse between the time legislation is approved and the time producers receive notice of their revised allotments.

It is important to the whole farm program that the present situation, the inability to adjust farm allotments to increase production of those types in short supply, be corrected.

That is the end of the statement, sir, except for the tables that we have already discussed.

The CHAIRMAN. Are those tables the same, or are they different from the ones put into the record this morning?

Mr. LYNN. They are somewhat different.

The CHAIRMAN. Without objection we will have them put in the record at this point.

(The tables referred to are as follows:)

Peanuts: Indicated 1951 State acreage allotment on basis S. 742

State	1945-49 average acreage (1)	1950 acreage allotment ¹ (2)	2,100,000 acres ap- portioned (basis col. 1) (3)	Larger col. (2) or (3) (4)	1,771,117 acres ap- portioned (basis col. 4) (5)	1951 allot- ment previously announced (6)	1951 final allotment ² (7)	Increase above col. 6 ² (8)	Percentage State allot- ment of total National ² allotment ² (9)
Virginia.....	154,600	141,108	105,873	141,108	112,869	117,819	117,819	0	6.52
North Carolina.....	287,600	225,702	196,955	225,702	180,535	188,451	188,451	0	10.33
Tennessee.....	5,400	4,766	3,698	4,766	3,612	3,979	3,979	0	0.22
South Carolina.....	27,200	18,375	18,627	18,627	14,899	15,342	15,342	0	.85
Georgia.....	1,046,600	701,400	716,733	716,733	573,501	585,638	585,638	0	22.83
Florida.....	96,400	73,236	66,017	73,236	53,580	61,149	61,149	0	3.39
Alabama.....	444,200	274,907	304,197	304,197	243,321	229,535	243,321	13,786	13.77
Mississippi.....	15,400	9,272	10,546	10,546	8,436	7,742	8,436	694	.47
Arkansas.....	8,600	5,473	5,889	5,889	4,710	4,570	4,710	140	.26
Louisiana.....	4,000	2,506	2,739	2,739	2,192	2,092	2,101	99	.12
Oklahoma.....	241,400	183,600	165,316	183,600	146,858	153,298	153,298	0	8.40
Texas.....	723,600	451,200	495,536	495,536	396,369	376,732	396,369	19,637	21.95
New Mexico.....	10,000	5,959	6,848	6,848	5,478	4,975	5,478	503	.30
Arizona.....	500	960	342	960	768	801	801	0	.04
California.....	500	1,257	342	1,257	1,005	1,050	1,050	0	.04
Missouri.....	500	279	342	342	274	233	274	41	.02
New farms.....	-----	-----	-----	-----	17,711	17,711	17,711	-----	.98
Total, United States.....	3,066,500	2,100,000	2,100,000	2,192,086	1,771,117	1,771,117	1,806,017	34,900	100

¹ Prior to Public Law 471.² Not including adjustment for types in short supply.

Peanuts: Indicated State acreage allotments for 1951 on basis H. R. 2615

State	1945-49 average acreage (1)	Final 1950 acreage allotment (2)	1,771,117 acres apportioned on—		1951 allotment previously announced (5)	1951 allotment under H. R. 2165, larger of columns 3, 4, 5 ¹ (6)	Increase above column 5 ¹ (7)	Relationship State allotment to National allotment ¹ (8)
			Basis column 1 (3)	Basis column 2 (4)				
Virginia.....	154,600	141,108	88,399	112,454	117,819	117,819	0	Percent 6.38
North Carolina.....	287,000	225,702	164,448	179,869	188,451	188,451	0	10.19
Tennessee.....	57,000	47,765	3,088	3,798	3,979	3,979	0	.22
South Carolina.....	27,200	21,459	15,553	16,305	15,342	16,305	962	.88
Georgia.....	1,046,000	701,490	598,439	558,968	583,638	598,439	12,801	32.34
Florida.....	90,300	73,293	53,121	58,365	61,149	61,149	0	3.30
Alabama.....	444,200	319,373	253,951	254,519	229,535	294,519	24,985	13.76
Mississippi.....	13,300	11,256	8,806	8,994	7,742	8,994	1,252	.49
Arkansas.....	8,000	6,724	4,917	5,359	4,570	5,359	789	.99
Louisiana.....	4,000	3,228	2,287	2,572	2,082	2,572	490	.14
Oklahoma.....	241,400	183,600	138,031	146,317	153,298	153,298	0	8.29
Texas.....	723,000	499,873	413,760	398,365	375,732	413,760	37,018	22.36
New Mexico.....	10,000	6,902	5,718	5,300	4,975	5,718	743	.31
Arizona.....	500	960	286	765	801	801	0	.04
California.....	500	1,257	285	1,002	1,050	1,050	0	.06
Missouri.....	500	320	285	255	233	286	53	.02
New farms.....	500	320	17,711	17,711	17,711	17,711	---	.96
Total, United States.....	3,066,500	2,200,194	1,771,117	1,771,117	1,771,117	1,850,200	79,083	100

¹ Not including adjustment for types in short supply.

The CHAIRMAN. Are there any further questions to ask of Mr. Lynn or of any of the five gentlemen at the head of the table?

Senator ANDERSON. Do you have any idea of what the total production of peanuts would be in 1950—what the crop was in 1950, the total production of all peanuts?

Mr. LYNN. In pounds?

Senator ANDERSON. Yes.

Mr. LYNN. Do you have that, Mr. Rawlings?

Mr. RAWLINGS. I have it, but not right where I can put my fingers on it right quick. I do have it here.

Senator ANDERSON. I was going to follow that with a second question:

Can anybody tell how much was actually used, and how much had to be ground up and disposed of?

Mr. LYNN. We can supply that information for the record, sir.

Senator ANDERSON. This 2,000,000 tons is a pretty accurate figure, isn't it?

Mr. LYNN. Yes; we would have to get it from the Department.

Senator ANDERSON. The 1949 crop was almost exactly 2,000,000 tons, too, wasn't it?

Mr. WINGATE. Senator, 2,000,000 tons, is that the information you have there?

Senator ANDERSON. Yes, sir.

Mr. WINGATE. Are you certain of that figure, sir?

Senator ANDERSON. Oh, it is 2,000,000,000 pounds.

Mr. WINGATE. Yes.

The CHAIRMAN. Are there any further questions?

Senator ANDERSON. I am just trying to find out how much of what was produced was actually consumed in the form of edible peanuts. Would you have any idea as to that?

Mr. LYNN. I don't have those figures; but I think we can supply them.

Mr. RAWLINGS. I did not get the Senator's question.

Mr. LYNN. The amount of peanuts actually consumed in the edible trade, and that portion which went to oil.

Mr. RAWLINGS. Yes, sir.

Senator ANDERSON. To show you what we are trying to get at, in 1949 the total crop was about 2,000,000,000 pounds. In 1950, with a reduced acreage, the total crop was about 2,000,000,000 pounds.

We are having a repetition of the potato situation, you cut it 200,000 acres and the total crop for 1951 will be 2,000,000,000 pounds, with the use of fertilizers, and other things being equal, where do we get to?

Senator HOEY. It depends a good deal on the weather, Senator.

Senator ANDERSON. That is what they said about the potatoes, too, that it was lucky weather they were having.

Senator HOEY. The last crop of peanuts was benefited very much by the weather. Of course, fertilizers have a great deal to do with the increase of production.

The CHAIRMAN. I think you appeared here last year, did you not, Mr. Rawlings?

Mr. RAWLINGS. Yes, sir.

The CHAIRMAN. And you are a peanut grower, as I recall, are you not?

Mr. RAWLINGS. Yes, sir.

The CHAIRMAN. And quite a large one, if my memory serves me correctly?

Mr. RAWLINGS. Sir?

The CHAIRMAN. And quite a large one, if my memory serves me correctly.

Mr. RAWLINGS. I would not say large, just average size.

Senator THYE. Average, how many acres is that?

The CHAIRMAN. How many acres is that?

Senator ANDERSON. If you get his figures you will know that he is not average.

Mr. RAWLINGS. I have about 150 acres of peanuts.

The CHAIRMAN. Were all of your plantings of the jumbo type, sir?

Mr. RAWLINGS. Yes, sir.

The CHAIRMAN. What percentage of your crop went into oil?

Mr. RAWLINGS. Approximately 10 percent.

The CHAIRMAN. Ten percent.

Mr. RAWLINGS. In other words, I overplanted my quota by approximately 10 percent. They did not actually go into oil, they were planted as excess oil, but then the Secretary found the Virginia type in short supply, but the excess peanuts of the Virginia type went to the edible trade, and when I sold them I got the oil price on 10 percent of the crop, with the understanding that at a later date the profits accruing to the Commodity Credit Corporation from the sale of excess peanuts to the edible trade will be redistributed. I understand it will be next August before we can look forward to that.

The CHAIRMAN. That is under the George amendment?

Mr. RAWLINGS. Yes.

The CHAIRMAN. Would you be satisfied to have the law provide that as to the jumbo type, or the edible type, that no payment should be made on your No. 2's? In other words, just on what you produce, letting you find your own market for your No. 2's?

Mr. RAWLINGS. Well, sir, I think that would be mighty difficult, because when a farmer markets his product, he markets in hull, the No. 2's are not segregated from the No. 1's. They have not been shelled, the extra large and the jumbos.

The CHAIRMAN. Who handles your crop?

Mr. RAWLINGS. The farmer sells his crop to a cleaner or sheller, and he shells and grades them out. Out of that grading process, after they have been shelled, some of them are screened out extra large, some medium, some No. 1, and some No. 2.

The CHAIRMAN. Why couldn't you have those peanuts graded that way, and you sell them yourself, instead of letting the Government handle them? What would be the difficulties there?

Mr. WINGATE. I think I can answer that.

Mr. RAWLINGS. Well——

The CHAIRMAN. Just a minute.

Mr. ODOM. May I say something, sir?

The CHAIRMAN. In a moment.

I would like Mr. Rawlings to answer that, if he can.

Mr. RAWLINGS. I believe that that might lead into some complications. In other words, it is something I had not thought about at all before, and I cannot quite see that through all at once, as to how it would be handled on a farmer's basis, how he would segregate No. 2's from the rest of the crop.

The CHAIRMAN. But the point is that the cry for this legislation is based on the desire to produce more of the edible type of the product for the trade.

Mr. RAWLINGS. Yes, sir.

The CHAIRMAN. Certainly No. 2's could easily be sold by you?

Mr. RAWLINGS. Yes, sir.

The CHAIRMAN. As edibles?

Mr. RAWLINGS. Yes, sir.

The CHAIRMAN. And probably at a price equal to what the Government pays you. Well, why don't you handle it instead of letting the Government handle it? That is what I would like to find out. In other words, what we are trying to do is to find some way by which we can, within reason, increase the jumbo production without saddling the Government with so much expense.

Mr. RAWLINGS. Well, sir, if I could, I would like to say a word or two on that No. 2 program.

The No. 2 program has been stated before as a surplus program, a surplus removal program. So long as it was apparent that the national acreage allotment had been set at a figure that very definitely was going to be a surplus of peanuts, the Department has reasons, factually, I understand, for removing them in the form of shelled peanuts. It was cheaper to remove them.

In other words, for one thing, you have only got about 70 percent of your total weight there after they are shelled, and you don't have your hulls that are so bulky to be bothered with in freight, and so forth.

So long as the national allotment is set at a figure where we see there will be a surplus of peanuts, that No. 2 program can be justified. But as I see it, if the Department is correct in their estimate this year, that the edible trade needs 650,000 tons of peanuts, I believe that is the basis they used for edible purposes, then there is no surplus anticipated, and there is no further justification for the No. 2 program.

Then what happens? What happens if you don't have a No. 2 program? The cleaner or sheller will have to seek his market level. I don't know, if it moved at 11 or 12 cents, whatever it took to move them. They are edible peanuts. They are not of top quality grade. They would normally go to cheap peanut butter. You would have a cheap product put on the market made from No. 2 peanuts.

So the No. 2 program, as I see it, is not a matter of necessity; it is only a matter of expediency, so long as we have a national acreage allotment set at such a figure that it is apparent and definite that we will have a surplus, and once that gets in line I don't see any reason for the No. 2 program costing the Government any money.

The CHAIRMAN. A moment ago you said that the 10 percent figure was out of your excess acreage production.

Mr. RAWLINGS. Yes, sir, above my quota, but below—

The CHAIRMAN. Are we to understand that—suppose your quota was 100 acres for easy figuring, and you were to plant 125 acres.

Mr. RAWLINGS. Yes, sir.

The CHAIRMAN. Now, would you be able to take out of your 125 acres enough No. 1's that would ordinarily be produced on your 100 acres, and be paid in full for that, and excess on the 25, is that the way you work that?

Mr. RAWLINGS. No, sir. When I market those peanuts, I believe on your figures there I would be, let me see, 20 percent in excess, and I would have exceeded my quota by 20 percent.

So I sell my peanuts all as one lot, as pointed out this morning, and I got a support price on 80 percent of all I sell. Any premium the people pay above—if I don't sell but one bag of 100 pounds, I got that on 80 pounds, and on the remaining 20 pounds I get the prevailing oil price that is set by the Department from week to week. If the peanuts are later sold to the edible trade by the Commodity Credit Corporation, somebody pays Commodity Credit at least 105 percent of support.

That check comes into the Commodity Credit, which represents the difference between the oil value and the edible value, and that will go into a trust fund for the producers of those type peanuts, which is redistributed at the end of the year to that type of peanut.

The CHAIRMAN. And how do you know it will be redistributed?

Mr. RAWLINGS. They told us it would be.

Senator ANDERSON. Did the law permit the Secretary to do that?

Mr. RAWLINGS. Yes, sir, for only 1950. We refer to it as the Cooley amendment. We have this two-price system in permanent legislation.

The same bill gave this extra 100,000 acres in the 741 provisions that stated in effect that in the event the Secretary delays any type peanut in short supply and excess oil peanuts of that type are sold into the edible trade, the producers of that type will share in a pro rata distribution of the profits accruing.

In other words, the producer gets that profit, instead of Commodity Credit using it to offset the loss on some other phase of the peanut program, or some other program.

That was for 1950 only, and this Senate bill 742 has a provision that would make that permanent by striking out the word "1950," that is the way it is made permanent.

Senator ANDERSON. Than you can go as far as you want to?

Mr. RAWLINGS. Up to your 1947 allotment.

Senator ANDERSON. And then you buy the No. 2's on top of that?

Mr. RAWLINGS. That is the way the Government is administering the program now. It is an administration procedure the Department has worked out for diverting the excess peanuts.

Senator JOHNSTON. What do you think about changing the law and making it so that if any person overplanted they could expect nothing from the Government for the crop?

Mr. RAWLINGS. Well, our producers would go along with that, because we believe very strongly that if we are going to have a price support program we have to have a very rigid quota program along with it, and it should not be one that would encourage exceeding the quota. We have to have one that you will have to toe the line on.

Senator ANDERSON. Would you be interested in knowing that in 1949 the total production, according to the BAE, was 1,875,000,000 pounds, and then after we had reduced several hundred thousand acres in 1950 the production went up 150,000,000 or 175,000,000 pounds of peanuts? So that if we reduce the same amount that is suggested here we can expect again the greatest crop that we ever knew.

Mr. WINGATE. Senator, could I ask—

Senator ANDERSON. In other words, the 10-year average of acreage was 2,880,000.

Mr. RAWLINGS. Yes, sir.

Senator ANDERSON. And the total crop was 1,950,000,000 pounds.

Mr. RAWLINGS. Yes, sir.

Senator ANDERSON. We went from 2,880,000 to 2,200,000, or somewhere in that neighborhood.

Senator JOHNSTON. Don't you have several things that entered into that?

Senator ANDERSON. Yes, extra fertilizer, and all the other things that happen when you restrict acreage.

Mr. TRIGGS. Well——

The CHAIRMAN. Give your name, sir.

Mr. TRIGGS. Matt Triggs, assistant director, Washington office, American Farm Bureau Federation.

The CHAIRMAN. Go ahead, sir.

Mr. TRIGGS. It cannot happen that way.

Senator ANDERSON. It could not happen last year. If you read the testimony, you see last year when they started to say what would happen if they passed the George amendment, and when you read that testimony, and then compare it with what you are saying now, what you were saying last year is exactly what you are saying now, that it cannot happen. But it did, nevertheless, and it will happen, and the losses in 1951 and the 1951 crop will be somewhat in the neighborhood of \$25,000,000 or \$30,000,000 again.

The CHAIRMAN. Well, now, as I understood it, Mr. Triggs, Mr. Shaw, Mr. Rawlings, Mr. Wingate, and Mr. Taylor who are sitting at the head of the table agree with what Mr. Lynn has just stated.

Do you have anything to add to what he has stated?

Mr. WINGATE. I would like to make this statement, Senator: With reference to the peanuts, the short supply of peanuts in North Carolina and Virginia, it was mentioned that they could grow them in Alabama, and they can grow them in Florida.

We have one county in Georgia that is growing approximately 8,000 acres of those peanuts, and they have been growing them for several years. We are trying to work the thing out. We want a peanut program, and we do not want it disrupted, and we are trying to work out with our farmers in Georgia, and in other States, I am sure, where they can plant this peanut that is in demand, and all that, and we can supply that demand.

Now, I would like to say this: I know we all want the facts in this, it is no discredit to the North Carolina and Virginia peanut. We were called upon to produce peanuts during World War II. We needed them for oil. The oil situation was critical. We were only producing a very few hundred thousands of bushels of soybeans in 1942. This past year we produced 3,500,000 bushels of soybeans.

So we are in better shape on oil.

But, when they called upon us to produce these peanuts for oil, we increased the acreage tremendously. The North Carolina-Virginia peanut has less oil in it than the runners and the Spanish. They were wanting oil, so therefore they did that, they crushed the ones that had more oil in them, which was the natural thing to do, and naturally that left all you could produce in the others to go into the edible trade, and it created a demand for that peanut, and that is part of the reason why they think we can correct this.

We know we can grow them in Georgia. We can grow them in other places, and we want a peanut program, and we are going all out

to produce the type peanuts that they want, regardless of what it is, and we would love to keep the peanut program, and we are disturbed about it.

We have had shots taken at us from every which way. There are some groups that would like to see the peanut program thrown completely out of the window. I think it would be terrible.

We appreciate very much the opportunity to work with you, and we will do anything we can to get the peanuts that are needed at the least cost to the Government. We do not want a program that costs the Government. We are taking cuts right on down the line.

In closing, I would like to say, Senator Anderson, with reference to that production, it was not the additional fertilizer especially that had to do with it in Georgia, and I doubt if that was true elsewhere. We had the most unusual year for peanut producing that we ever had in history. People that didn't use a pound of fertilizer got so many more peanuts than normally. The weather conditions helped out; the average yield per acre jumped nearly 200 pounds to the acre. It was something unheard of.

We have had variations, yes; but not a jump above the average like we did, and I do not think you can expect that to happen again.

I don't believe, even with additional fertilizer, that it could bring it up to that.

Senator AIKEN. Will some of the peanut acreage be converted to cotton?

Mr. WINGATE. Yes, sir.

Senator AIKEN. And there will be an increase in cotton, which is what we need more of?

Mr. WINGATE. Yes, sir.

The CHAIRMAN. To what extent do you expect excess peanuts to be planted, pursuant to the George amendment—as much as last year, or more?

Mr. WINGATE. I would not think as much as last year. I would think less, because I think they will come in and grow cotton at the prospects of being able to get a fair price for cotton.

The CHAIRMAN. Are there any further questions?

Senator HOLLAND. I would like to ask several.

Has the working out of the George amendment allowing increased acreage up to the 1947 total for sale at oil prices proven helpful, or otherwise?

Mr. WINGATE. I don't know that that has proven especially helpful. Some farmers felt like they could produce them and get by, but they are finding out they could not.

The thing we are interested in is to see what we can promote to find a top oil that can take the place of olive oil, and things like that. Peanuts do produce a very fine quantity of oil, Senator.

Senator HOLLAND. When you said they found out they could not get by, you mean that at oil prices they could not make any money?

Mr. WINGATE. That is right. That is why I think many less excess peanuts will be grown, and cotton will be grown in place of it.

Senator HOLLAND. In view of the fact there is going to be a heavy conversion of peanut acreage into cotton acreage, both because of the high price of cotton, and the emphasis being placed on the increased production of cotton, why is there any need for any increase in peanut acreage this year? Can you answer that?

Mr. WINGATE. There will not be any increase.

Senator HOLLAND. Over the amount allowed by the present law?

Mr. WINGATE. Well, Senator, we are decreasing it.

Senator HOLLAND. I am talking about the present law, sir.

Mr. WINGATE. We are decreasing nearly 400,000 acres the acreage that was allotted in 1950, and the acreage allotted this year is approximately 400,000 acres less than the acreage last year.

Senator HOLLAND. Not than the the acreage produced, you mean the acreage allotted.

Mr. WINGATE. I am talking about that in both of them. If we get to the acreage harvested we would have to estimate this year's to be harvested. It varies about 5 percent, the harvested from the allotted acres.

Senator HOLLAND. I recall that last year those of you who were insisting upon the amendment that was not called the George amendment, but the one that simply added about somewhere between 60,000 and 100,000 acres, were asking for it largely for Alabama and Texas. I notice that the 34,900 acres which you propose to increase under this proposed law over the allotment now permitted under the present law, would go largely to Alabama and Texas also—13,787 acres to Alabama, 19,637 to Texas.

Why this second year of increase for those two particular States?

Mr. WINGATE. The second year—that last year increase was put in to correct—that 100,000 was put in to correct an injustice that we all felt would put Alabama and Texas under if that was not allowable. But it was only a 1-year proposition.

Now, that 100,000 is completely out, and this 34,000 is just partially, about one-third, that we are putting in there to go on the injustice. It is not added to the 100,000. They lost that after 1 year.

Senator HOLLAND. Well, I note in looking at the acreage for my State, and other States, the situation is just the same as it was last year; you don't propose to increase it at all from the provisions allowed under the current law.

Mr. WINGATE. You increase it 34,000.

Senator AIKEN. You are referring to the House bill as introduced, and not as amended, I believe.

Senator HOLLAND. I am referring to S. 742. Now, the same thing is true with reference to H. R. 2715, however.

Senator AIKEN. The House bill, as amended, adds considerably more acreage than you are referring to.

Senator HOLLAND. I am referring to the original measure.

Senator AIKEN. As amended it adds 79,083 acres.

Senator HOLLAND. To Alabama.

Senator AIKEN. 12,800 to Georgia, approximately 25,000 to Alabama, and 27,000 to Texas.

Senator HOEY. That is the House bill as reported out.

Senator AIKEN. That is the House bill as reported out, and not the House bill as introduced. They did some operating on it.

Senator ANDERSON. I would like to call your attention to the fact that you will be in danger if you pass a bill with the House bill passing, because we have been in a few conferences on that subject.

Again I go back to the same suggestion I made, and that is that the Senate had better hold off until the House passes a bill that has some chance of being valid.

Senator AIKEN. The House had some eloquent witnesses, I believe.

Mr. WINGATE. On that 100,000, it went out after 1 year.

Senator HOLLAND. You have made yourself clear. My point is still the same: You leave a great many States unaffected in the slightest; you add to Alabama and Texas, which are to receive a bonus; Georgia—

Mr. WINGATE. Georgia does not receive any.

Senator HOLLAND. Under the amendment in the House.

Mr. LYNN. We are not in favor of the House bill.

Senator AIKEN. I wanted to know whether you were supporting the House bill, as amended, or as introduced.

Mr. WINGATE. I am supporting the Senate bill. As to the House bill, I did not check what came out of it.

I wanted Senator Holland to feel that the 100,000 was to correct an injustice; that went out as of last year, and this 34,900 is just a partial increase on what they thought the injustice was.

Senator HOLLAND. The House amends now to bring it up to around 80,000; is that right?

Mr. WINGATE. I think that is right; 79,400.

Senator ANDERSON. Has the House taken action?

Senator HOEY. No; the committee has.

The CHAIRMAN. The committee has.

Senator HOEY. But the House has not.

The CHAIRMAN. All right, gentlemen. We are glad to have had you here. The next—

Senator HOLLAND. I want to ask Mr. Wingate another question. He has already testified that his growers have found out they could not get back the cost of production, or could not make a profit on plantings for oil purposes only.

How great an effect do you think has been produced upon the total cost of this program to the Government by the planting of that additional acreage for oil purposes only?

Mr. WINGATE. As the program is set up, and if it is carried out, Senator, according to the way it is set up, the Government only gives the farmer what it is actually worth for oil, and then if they work more out of it, then what he gets in they send back. It is not to cost anything.

Senator HOLLAND. My question was intended to ask your opinion as to how much the level of price for oil production is cut down by the adding of that additional tonnage for oil production only.

Mr. WINGATE. It would be very little, Senator. The oil that would come from that would be very, very little.

Senator HOLLAND. Well, now, what was your total production for oil purposes only?

Mr. WINGATE. I would not want to guess. Do any of you have the figures here? Does anyone have it?

Mr. RAWLINGS. In Virginia and North Carolina, sir, we exceeded our quota by about 9,000 acres in each State, but on the national level, I do not have that figure.

Senator HOLLAND. What was the figure? May I ask whoever is here for the Government the total production of tonnage for oil purposes only?

Senator THYE. Mr. Chairman, I am quite concerned about a type of program that will permit a producer to exceed his allotted acreage,

and not be penalized for it, allowing him to go on while the Commodity Credit Corporation suffers a loss, and if the Commodity Credit Corporation obtains a profit in the transaction, the profit will be allocated to the producer, even though he has grown in excess of his allotment.

It just is not the type of program that will be accepted or can in any sense be fairly administered, or in any sense supported or defended. I have never supposed that you could exceed your allotted acres by some hundreds, or into the thousands of acres, and still stand qualified for support.

It just does not sound right.

Mr. WINGATE. I might say this: There has been a tremendous demand built up for peanut oil. For instance, on submarines they use peanut oil practically altogether, because peanut oil will not fume; and if you do not want to cook everything you eat in peanut oil, don't ever let your wife use it in the kitchen, because she will buy it. It is just so much better as a cooking oil than the other, and there has been a tremendous demand developed for that oil.

Senator THYE. I appreciate that you are selling peanut oil right now, but the fact of the matter is, we have written a law here that says, "Here is a quota given you," or given a State. Then you proceed to plant in excess of your quota and harvest in excess of your quota, and you are not penalized, but are given the opportunity of having the Commodity Credit Corporation sell the product and allocate any additional profit over and above the support program, and over and above what they allowed you on the original loan or advance payment on it.

Now, I don't care what the housewife would do with that peanut oil. I am only telling you that you are going to break your own program, and half the public does not know the amount of money the Commodity Credit Corporation has advanced to support a program where you have been exceeding the allotted acreage. That is the whole story.

Mr. WINGATE. I agree with you, and as long as we have to crush some, but when we get down to allotted acreage, that will barely meet the demand of the edible trade. There will be no oil to go, and the people that want this oil cannot get it.

The CHAIRMAN. Are there any further questions?

Mr. SHAW. If a provision was put in the law to meet the very weakness we are trying to meet, to provide that you can grow the type of peanuts in demand. We hope we can live without it when that can be done.

I think we should look at two things. We farmers live by the premise you can do anything worth doing, if you go at it right. We feel like we have a peanut program that is workable, if we work at it hard enough and long enough.

We are trying to do two things: We are trying to grow more of the type of nuts we need, and we want to place less responsibility on the Government.

We maintain that on the advice of you gentlemen we had to get together and find an area of agreement, that we have done that, from the producer's point of view, and by accomplishing that purpose, and by this major objective, that will allow you to grow what you need, and with a total reduction of better than 200,000 acres we are headed in the right direction.

We do not attempt to defend the details of the thing. We know there are a lot of weaknesses that can be, and will be, ironed out.

Gentlemen of the committee, I think this is the lifeblood of a good section of North Carolina—this peanut program. We don't want it abused or kicked around. We know that in this committee there is sufficient brains to help us work out a program that will work. We believe it can be done, and on the advice of you gentlemen we want to cooperate with you and we want to work with you. We need this thing, and we need it badly, and we hope you will give us action on it just as quickly as you can.

Thank you.

The CHAIRMAN. All right, Mr. Odom.

Senator ANDERSON. Mr. Shaw, why can't we come through with a program that strikes directly and solely at the thing that needs correction, namely, the acreage in Virginia and Carolina, and those areas that produce jumbos?

Mr. SHAW. Would you think I was facetious if I asked you one?

Senator ANDERSON. Go ahead.

Mr. SHAW. You have told us over and over again that legislation affecting agriculture is a question of compromise.

Senator ANDERSON. But the trouble is that you get too expensive a compromise.

Mr. SHAW. Certainly we would be for any kind of program that the peanut growers think they can live on.

I come back to my original point: You fouled up the peanut program with Public Law 12, and you created a principle. I maintain that you created within there a principle that you must adhere to somewhere by the distribution of acreage, and when you come back to your national quota and begin to allot between States.

Now, why not start out on a sound premise? From your point of view, don't you think that if it was a mistake in the first instance that it should be corrected? We have got to adhere to some of the influences of these laws. They have been adhered to all through the years. I cannot see any world-shaking consequences in the effect of 34,000 in place of 100,000.

Senator ANDERSON. Except that the House will add 150,000 and you get together and compromise on 175,000. I have been in two or three of these conflicts.

Mr. SHAW. We tried to sell the House our bill. We want the House to come along and do the best they can, and we want you folks to do the best you can.

Senator ANDERSON. Don't you think it would be wise for this committee to let the House pass one first? If it gets a bad one, do what we had to do last year—refuse to do anything. We could not get any legislation at all last year exactly on that basis.

Senator HOEY. Senator, we are in a much better condition this time, for this reason: That the House is not going out on a bad bill like they did before.

Senator ANDERSON. I would not regard a bill that added 98,000 acres on one side, and 90,000 more, as anything but a bad bill.

Senator HOEY. It is 79 and ours is 34.

Senator ANDERSON. It isn't off the floor. They can amend it five times on the floor.

Senator HOEY. I don't think you will have that trouble with that. Take ours; I like ours better—it is just a difference between 79,000 and 34,000.

Senator ANDERSON. I am greatly persuaded by my friend Mr. Shaw that compromise might be a good thing, but if you can get the bills over so that you could get a compromise, that would be fine, but you know how we ended up on the price-control law, where the House passed upon extending it to 1 year, and we passed something else.

You know what the compromise basis was.

I am just worried that if the House comes over with language that is wide open, and we try to do something in here, when you get into conference it will be written up to extravagant figures, and I think the peanut program is going to be absolutely killed by this Congress within 2 years if we don't bring it under control.

I mean, these men know I have felt that way for quite a while, and I have been saying so in hearings. If you cannot get this program to where it costs less than \$15 or \$20 an acre, this current Congress will have to do the same thing it did with the potato program—kill it completely.

Senator HOEY. I think you are right about that. I think we are going in the right direction on this.

Senator ANDERSON. I don't know whether it is right to strike out this 1950 provision, the so-called Cooley amendment, but everything I ever heard of seems to be added to this bill.

I can understand how the producers are in favor of it temporarily, but I think you have got a responsibility to the Treasury, too.

The CHAIRMAN. All right, Mr. Odom.

Senator HOLLAND. I would like to ask Mr. Wingate one more question: Is there anything in this bill which would provide farmers who receive a quota in areas where they have been producing runner peanuts, or some other kind than the large so-called Virginia-Carolina peanuts, to changing their production, if this law will permit it, to the large-type peanut?

Mr. WINGATE. There is nothing in the present law to prevent it. In other words, if I had an allotment of 100 acres of Spanish peanuts, or runners, because runners are a little more on the excess side, and my soya type suited this particular peanut in Virginia-North Carolina, there is nothing in the present law, or this law, that would prevent me from planting that entire 100 acres in Virginia-Carolina peanuts.

Senator ANDERSON. Except the financial return.

Mr. WINGATE. Senator, let me say this: The champion peanut grower in Georgia this year grew Virginia-North Carolina peanuts.

In that section they are growing them, and it gives a better return than the runners or the Spanish. The only difference with this particular type of peanut is that you are likely to run into trouble if you don't get it harvested right at the right time; you are likely to lose considerable on them.

In other words, if they are ready to come up tomorrow, and it sets in today and rains for a week or 10 days, they are gone.

Senator HOLLAND. The next question is this: Is there anything in the provisions of this proposed law that would allow the Secretary of Agriculture to step up the acreage for the Virginia-Carolina peanuts and specify how to distribute that stepped-up acreage?

Mr. WINGATE. Yes, sir; in this law there is. He would be authorized on the basis of the past 5-year average to estimate what he thought the demand called for this coming year, and then allocated that acreage to the States on the basis of however many they grew in each State, and they do produce them, and it would be under the same guaranty as the regular allotted acreage, but that acreage under this law would not count in building up his quota further for next year.

Senator HOLLAND. If he did that any farmer who converted his acreage that was producing runner peanuts for that type would be adding to the total production, and upsetting the effort that would be allowed under this bill to step up the production of those large peanuts simply to meet the market demand.

Mr. WINGATE. I think this, Senator, I think you can take into consideration that there is some transition taking place, and certainly the next year it does not give that acreage permanent, the next year he has to refigure and reallocate, and then as you change from one section to the other, that would take care of it.

Senator JOHNSTON. The Virginia-Carolina peanut is gradually going down into South Carolina. It is just about 50-50 now, and it is becoming more and more every year.

Senator HOLLAND. We are producing some, and there is no reason why a great many others cannot convert.

Mr. WINGATE. You can produce a great many more of them in your section, and we are urging them to do it, to get this thing into line.

Senator HOLLAND. There is nothing in this bill that would in any way limit the right of conversion of producers who have been producing runners or Spanish, or some other type peanuts, to the Virginia-Carolina type?

Mr. WINGATE. None whatsoever. We encourage it.

Senator HOLLAND. They would be entitled to the support price, and the full program for that type of peanut?

Mr. WINGATE. That is right.

Senator ANDERSON. When you get a quota for peanuts do you get a quota for a specific type? You just get a quota for peanuts and you can plant Carolina-Virginias, Valencias, runners, or anything you wish. You have just chosen to plant runners.

Senator HOLLAND. That would not be the case on the step-up of this particular crop.

Mr. WINGATE. The step-up would only go to those that had been producing them on a 3-year average.

Senator HOLLAND. They would not be allowed to plant anything but the variety they had been planting?

Mr. WINGATE. That is right.

Senator HOLLAND. In the meantime, there might be thousands of growers elsewhere converting their acreage to that same product?

Mr. WINGATE. The trend has been, and they know we are trying to encourage it, and I think the Secretary will take into consideration that this trend is in the right direction. I do not think he will move it too fast, because people are a little slow about switching right over, unless it is a real emergency.

Senator HOLLAND. Why would it not be a sound practice to deliberately set out to get as much as possible in the way of conversion,

instead of to step up the acreage in that part of the peanut industry that is already the most prosperous.

Mr. WINGATE. We are holding meetings in Georgia to encourage the farmers, but not to go into it unless they call upon experimental stations and extension services that have information. We want them to have the right type soils, we are encouraging them, we are holding Farm Bureau meetings all over that section, and asking them to grow.

The CHAIRMAN. All right, sir. Thank you, gentlemen.

All right, Mr. Odom. Will you come forward, please?

STATEMENT OF THOMAS D. ODOM, VIRGINIA-CAROLINA PEANUT ASSOCIATION, SUFFOLK, VA.

Mr. ODOM. My name is Thomas D. Odom, and I am representing the Virginia-Carolina Shellers Association.

As you know, in the testimony given today by Mr. Prichard, with regard to the No. 2 program—

Senator ANDERSON. What is your business connection, sir?

Mr. ODOM. I am with the Suffolk Peanut Co., shelling division, and I am representing the Virginia-Carolina Association at this hearing.

Senator ANDERSON. Of shellers?

Mr. ODOM. Yes, sir.

Senator ANDERSON. You actually operate a shelling plant?

Mr. ODOM. That is right.

Senator ANDERSON. Can you tell us whether there has been some increase in the amount of shelled peanuts that the Government takes?

Mr. ODOM. I have some other shellers who are more familiar with that than I am.

Senator ANDERSON. If you are operating the program you ought to be familiar with it. Aren't you?

Mr. ODOM. Yes, sir.

Senator ANDERSON. Yes. Go ahead.

Mr. ODOM. Now, going back to the Virginia types and the types grown in the Southeast and the Southwest, so far as the costs, we have the 1949 figures, and as you know it cost the Commodity Credit Corporation \$39,000,000.

The Virginia-type peanuts had 27 percent of the production and 12 percent of the cost.

Now, the Southeast had 50 percent of the production of peanuts, and 67 percent of the costs.

The Southwest had 23 percent of the production, and 21 percent of the costs.

Now, the 12 percent of the costs was reflected in the 2's, and I have a little brief on the 2's that I would like to read before I go into the statement.

No. 2 peanuts are not peanuts that are produced by the farmer. They are peanuts that result from the milling process and are mostly the premium sizes that have been split in milling. They are not as good as the No. 1 grade for edible purposes, because the splitting exposes half the peanut which absorbs dirt and it roasts unevenly.

The Virginia No. 2 competes with the No. 1 Spanish or No. 1 Runner for the peanut-butter business. They are not suitable for salting.

In the support program, which is a diversion program, Virginia No. 2's are bought by Commodity Credit and diverted into oil, thereby leaving an edible demand for a corresponding tonnage of No. 1 Spanish and No. 1 Runners.

This is cheaper for Commodity Credit Corporation, and I might add that Mr. Prichard testified this morning that it would be cheaper for the Commodity Credit Corporation to use the 2's in the Virginia-Carolina area to support that, rather than going back and supporting a like tonnage in the Southeast or Southwest at a higher price, because we sell direct to the oil mills, and there are no warehousing or handling charges, or anything of that nature.

Therefore the loss on diverting No. 2 Virginia's is a transferred loss, from the areas in which the surplus exists. It is an economy in diversion. And that is just a matter of judgment.

It has been proven cheaper to support the 2's in Virginia than the better grades in the Southeast and Southwest.

Now, in the Virginia-type peanut we have five grades before you get to the No. 2's. That is in the hulled goods or peanuts in the shell, known as baseball-park peanuts, or they use them at football games, baseball games, the circus, and so forth.

There are two grades of peanuts sold in the shell for roasting. Those are the jumbos, which is large and fancies, which is the next size in the shell, and then we have the extra large and the medium and No. 1's, and then we come to the No. 2's, which represents—we had 12 percent, but I would rather these were Department figures, but they gave us only 10 percent, which I would rather let go then the 12 percent.

So they are the five grades that we have before we get to the No. 2's, which is a very small percent of the Virginia peanuts.

Senator ANDERSON. What do you estimate they are, what is your estimate?

Mr. ODOM. We figure according to the—I have the figures right here prepared by Dr. Maxton, who is with the Department of Agriculture in the Extension Division, and he gives the figures; he has made a survey of this in connection with the Department of Agriculture. We would say from 5 —

Senator ANDERSON. Don't you have any figures?

Mr. ODOM. I gave 12, we are using the 12 percent.

Senator ANDERSON. Do you have any records in your own plant as to how much of the peanuts you handle are No. 1's, and how much are No. 2's?

Mr. ODOM. That is right.

Senator ANDERSON. What does that record reveal?

Mr. ODOM. The record shows we have 50 percent of peanuts used for salting, and 25 percent used for roasting in the shell; 15 percent go into confections, and 8 percent into butter, and 2 percent for oil. Those are our figures.

Senator ANDERSON. Well, about 10 percent of it, then, is used for butter and oil?

Mr. ODOM. That is right.

Senator ANDERSON. All right. What sort of a price do these 50 percent that are used for salting and the 25 percent that are used for roasting do they get above the Government-support price?

Mr. ODOM. Well, now, we have paid above the support price for the past 2 years for farmers' stock, and I can give you the market.

Senator ANDERSON. That includes everything?

Mr. ODOM. We paid the farmer——

Senator ANDERSON. If the farmer got more than 90 percent of parity the Government obligation would have been fulfilled?

Mr. ODOM. We pay him support, or better, for his quota peanuts.

Senator ANDERSON. If you did, then the Government fulfilled its obligation?

Mr. ODOM. That is right.

Senator ANDERSON. So then the Government was through, wasn't it?

Mr. ODOM. So far as the farmer is concerned, on quota peanuts.

Senator ANDERSON. The support price does not carry over to anybody but the farmer, theoretically.

Mr. ODOM. That is right.

Senator ANDERSON. Where did the No. 2 come?

Mr. ODOM. That is for the Southeast and Southwest, and it is cheaper for the Government to administer the program.

Senator ANDERSON. You bought from the farmer at more than 90 percent of parity?

Mr. ODOM. That is right.

Senator ANDERSON. So the contract of the Government to the farmer on every bit of Virginia-Carolina peanuts was carried out, is that correct?

Mr. ODOM. That is correct.

Senator ANDERSON. And you still came in for a support program?

Mr. ODOM. We came in because it is a No. 2 program, written in the law, and it was cheaper.

Senator ANDERSON. Tell me about that program written in the law.

Mr. ODOM. Well, I mean, to support——

Senator ANDERSON. Tell me about the program written in the law, the No. 2 program.

Mr. ODOM. That is what I was attempting to tell you, Senator.

Senator ANDERSON. All right.

Mr. ODOM. The 2—I don't remember the exact wording, except that we for the past several years know that the 2's have been supported.

Senator ANDERSON. Oh, no, no. I want to know what there is in the law that requires it. The law says that the farmer shall get 90 percent. Suppose up in Senator Thye's area, where they produce butter, that he delivers raw cream to the creamery, and the creamery sells a certain amount of butter, and then makes some cheese, or something on the side, does it come into the Government, could it come into the Government and say, "We did not get quite enough out of this cheese, we want 90 percent parity from you?"

Mr. ODOM. I am just attempting to tell you——

Senator ANDERSON. The farmer got his 90 percent, and the Government is through with him.

Mr. ODOM. The Government is not through with the other areas that are producing a peanut. In the Virginia-Carolina area they

divert 2 cents, in other words, it is cheaper, and that is a matter of expediency.

Senator ANDERSON. That is a matter of argument. What I am trying to find out is, did every farmer from whom you bought peanuts get 90 percent of parity for his entire crop?

Mr. ODOM. Or better.

Senator ANDERSON. Do you think that applies all through the Virginia-Carolina area?

Mr. ODOM. I am sure it does.

Senator JOHNSTON. What type peanuts do you generally use for oil and butter?

Mr. ODOM. We use No. 1's for peanut butter, and the oil, the No. 2's having gone into oil, they are split and broken and shrivels and damage.

Senator JOHNSTON. The North Carolina or Runner type?

Mr. ODOM. That is the Virginia-type peanut.

Senator HOLLAND. You don't handle anything but the Virginia-Carolina-type peanut, do you?

Mr. ODOM. That is all we handle.

Senator ANDERSON. The 1's are going into butter?

Mr. ODOM. Some go into salted, some into candy—

Senator ANDERSON. I mean, the butter peanuts are No. 1?

Mr. ODOM. Or better, yes.

Senator ANDERSON. So that the only No. 2's that go to oil are only about 2 percent?

Mr. ODOM. No, the No. 2's have been diverted. They go into oil, not into butter. I mean from the Virginia-Carolina area.

Senator ANDERSON. Yes, but you said about 50 percent were salt, is that correct?

Mr. ODOM. That is right.

Senator ANDERSON. Twenty-five percent roasted?

Mr. ODOM. That is right.

Senator ANDERSON. Fifteen percent were used in confections?

Mr. ODOM. That is right.

Senator ANDERSON. Eight percent butter?

Mr. ODOM. That is right.

Senator ANDERSON. We are still on No. 1's now?

Mr. ODOM. Yes.

Senator ANDERSON. And 2 percent went into oil?

Mr. ODOM. That is right.

Senator ANDERSON. That is No. 2's.

Mr. ODOM. Yes, sir, No. 2's.

Senator ANDERSON. So that only 2 percent were actually No. 2's?

Mr. ODOM. No, about 10 percent this past year.

Senator ANDERSON. Let me see if we can add. Again 50 percent went into salted, is that right?

Mr. ODOM. Yes.

Senator ANDERSON. 25 percent roasted?

Mr. ODOM. That is right.

Senator ANDERSON. Is that 75 total, 50 and 25?

Mr. ODOM. Wait a minute, I will give it to you right here.

Senator ANDERSON. 50 percent salted, 25 percent roasting, 15 percent went into confection. Does that make 90 percent?

Mr. ODOM. Yes.

Senator ANDERSON. And 8 percent into butter. That does make 98 percent. Those are all 1's.

Then 2 percent are the No. 2's, is that right?

Mr. ODOM. According to those figures, that is right, but it is 10 percent.

Senator ANDERSON. Then what is wrong with the figures that you yourself furnished for the record?

Mr. ODOM. I got those from the Department of Agriculture.

Senator ANDERSON. Not these 50, 25, and 15. You gave me those from your own experience. Isn't that correct? Isn't that what you said you did?

Mr. ODOM. That is right.

Senator ANDERSON. Then 2 percent were No. 2's, the cracked and otherwise?

Mr. ODOM. That is right.

Senator ANDERSON. And that 2 percent cost us \$13 an acre?

Mr. ODOM. Well, that is \$13 an acre there, but it would have cost more had it been diverted and used as No. 1, or better, in the other areas.

Senator ANDERSON. We are trying to find out the facts with reference to it. Two percent of the product were No. 2's, on which the Government, you think, had some obligations?

Mr. ODOM. That is right.

Senator ANDERSON. And that cost the Government \$5,000,000, nearly, in the Virginia-Carolina acreage, from 379,000 acres picked and threshed, or \$13 an acre for 2 percent of the crop. On that basis what is 100 percent of the crop worth? It is pretty high in the air.

Mr. ODOM. You miss the point there, Senator. We have \$12 here, it may have gone up.

Senator ANDERSON. I have a letter from the Department of Agriculture under date of December 15, that says the amount of loss was \$4,933,000. Do you have that? This is from the Department of Agriculture, if you wish to see it, \$13 on 2 percent. As a matter of fact, it costs more per acre in Virginia-Carolina than it does in the southwestern area, where it only cost \$11.85.

Mr. ODOM. Twenty-one in the southeast.

Senator ANDERSON. That is right.

Mr. ODOM. That is right.

Senator ANDERSON. Now, that is what I am trying to get at. Every farmer got more than the law required him to get.

Mr. ODOM. Because we were in short supply.

Senator ANDERSON. Yes. Every farmer got more than the support price.

Mr. ODOM. That is right.

Senator ANDERSON. And then the Government came in and bought peanuts from you.

Mr. ODOM. That is right.

Senator ANDERSON. On what theory?

Mr. ODOM. They bought the oil peanuts, the No. 2's.

Senator ANDERSON. The No. 2's, 2 percent.

Mr. ODOM. Yes, sir.

Senator ANDERSON. And lost \$5,000,000.

Mr. ODOM. Well, they lost \$5,000,000 in the South, but they would have lost more in our area if they had bought the better grade in the other areas.

Senator ANDERSON. How do you know?

Mr. ODOM. I don't know it.

Senator ANDERSON. I don't think that he knows it, either, but that is neither here nor there.

Senator JOHNSON. You say they lost \$5,000,000?

Senator ANDERSON. You made a claim against the Government. How did you come into the Government to get the money you got?

Mr. ODOM. I believe that Mr. Woodley, who has plants in both—

Senator ANDERSON. You operate a plant, don't you?

Mr. ODOM. No, I am working for a plant.

Senator ANDERSON. Well, what is your responsibility, what is your position with the plant?

Mr. ODOM. I do part of the buying, and public relations work.

Senator ANDERSON. Well, did you buy any peanuts from the farmers?

Mr. ODOM. I bought lots of them, yes, sir.

Senator ANDERSON. A lot of them. All right. Who sold the peanuts, did you sell the peanuts?

Mr. ODOM. No, I don't sell them.

Senator ANDERSON. I am trying to find out where the Government came in, how they happened to pay you any money.

Mr. ODOM. Because of the 2 program, that is in the law, that is the theory we operated on.

Senator ANDERSON. Are you sure it is in the law? Will you find me the section of the law where it says there shall be a 2 program?

Mr. ODOM. I will get it for you, yes, sir.

Senator ANDERSON. All right. I would like to see it.

The CHAIRMAN. Are there any further questions?

Mr. ODOM. I still have this statement, if you would like to hear it. If you are running short on time—

The CHAIRMAN. We must vote in a moment.

Senator HOEY. Why not file it?

The CHAIRMAN. Do you have anything to add to what you have said?

Mr. ODOM. I have this statement.

The CHAIRMAN. Put your statement in the record.

(The statement referred to is as follows:)

STATEMENT FILED BY THOMAS D. ODOM, VIRGINIA-CAROLINA PEANUT
ASSOCIATION, SUFFOLK, VA.

Peanuts grown in the Virginia-Carolina area are designated as the Virginia-type peanut and differs materially from the peanuts grown in the southeastern and southwestern areas, which are designated as Spanish and runner types. The Virginia-type peanut differs from these other two types in flavor and in size, and because of these characteristics, it has been put into distribution and developed a demand in a different form than the other types of peanuts.

The chief use for the Virginia-type peanut is as a blanched salted peanut. Neither of the other two types are marketed this way. The Virginia-type salted peanut competes with the so-called Fancy nuts, most of which are imported. Another prominent use for the Virginia type is peanuts which are roasted in the shell, such as are sold at baseball parks, race tracks, circus grounds, etc. The Virginia-type peanut is the only peanut prepared and marketed this way.

As far as records are available, there has been no surplus production of Virginia-type peanuts for edible purposes except in one year and that was in 1940 when the yield per acre was abnormally high, and excepting this year, there has been no need for diversion of edible grades of Virginia-type peanuts into oil.

In order for a manufacturer to continue the processing and distribution of these larger types of peanuts, he must be assured of adequate supply in order to justify

the expansion of national distribution. Our acreage in 1949 and 1950 was cut so low in comparison with our need that on a supply-and-demand market the Virginia-type peanut was sold by the producer at substantially above support price. The shortage of supply has had two adverse effects.

1. The price has been so high that consumer demand has been affected, principally because of the competition from imported nuts (mostly cashews).

2. Because of the short supply the millers are not able to assure manufacturers throughout the country who want the Virginia type peanuts that they can take care of their requirements and, therefore, not being able to maintain the proper volume, we find a trend on the part of many manufacturers to discontinue salting Virginia type peanuts altogether, because they cannot build up a trade for peanuts that may not be available, and for obvious reasons, the other types of peanuts cannot be substituted for the trade on Virginia blanched peanuts or Virginia roasted peanuts.

In view of the fact that we believe that we have a demand in this country for the Virginia type peanuts far in excess of the acreage provided in present or proposed legislation (306,000 for 1951) which conclusion is supported by historical facts (having produced a surplus only once since 1909 and then the surplus was not too great), we believe that the Virginia-Carolina area should certainly be enabled to plant peanuts by definite legislation that would produce sufficient peanuts to supply the edible demand; and we ask that the Senate Agriculture Committee revise S. 742 so as to give the Virginia-Carolina area an acreage quota not less than that planted in 1949, 380,000 acres, which is only 36,000 acres more than were planted in this area in 1909. During the 1949 crop year, the entire supply of edible Virginia peanuts was used without any being diverted into oil.

We believe that this request will be in the best interest of our producers, our processors and the ultimate consumers of peanuts, and that it will not cost any Government agency anything for the diversion of the edible grades of peanuts.

We hope you will expedite this legislation because the planting season is approaching, and unless legislation is passed very quickly, it will be without effect on the 1951 production.

The CHAIRMAN. The next witness is Mr. Carl E. Johnson. Is he present?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. How long do you require, sir?

Mr. JOHNSON. Just a couple of minutes.

Senator ANDERSON. Is there a sheller here who can tell us the basis of his claim against the Government when he has bought peanuts at more than the law requires.

Mr. WOODLEY. Yes, Senator.

The CHAIRMAN. Very well.

STATEMENT OF W. P. WOODLEY, PRESIDENT, COLUMBIAN PEANUT CO., NORFOLK, VA.

Mr. WOODLEY. My name is W. P. Woodley. I am a sheller in Virginia.

In Virginia we have this grade of 2's which results from milling, and it is 10 percent instead of 2, that has been our actual experience.

We were selling these to the trade for peanut butter.

Senator ANDERSON. Have you records to show the 10 percent instead of 2?

Mr. WOODLEY. Yes, sir.

Senator ANDERSON. As this other gentlemen told us?

Mr. WOODLEY. Tom has not been in the business very long.

From actual experience it is 10 percent. It will vary; it might be anywhere from 8 to 12 or 13.

Senator ANDERSON. What was it for the 1949 crop?

Mr. WOODLEY. The 1949 crop would have been around 10 percent. It is different with different shellers. We have no composite figure.

We are making the 2's, which is only the big peanut split. If we split a big peanut in the milling process it becomes a 2.

The best peanuts we have, if you pick it up and split it, it immediately becomes a 2.

We were selling them for peanut butter and confections in competition with No. 1 Spanish and No. 1 Runners. They go into the same field—peanut butter.

We did not come into the program; the CC promulgated a program in which they offered to buy the No. 2 grades at a fixed price throughout the season.

Senator ANDERSON. Which was what?

Mr. WOODLEY. Fifteen and one-half this year. I think last year it was 16¼. The principle being, as they published it, that by taking the No. 2 Virginias off the edible market it made room in the edible market for a larger quantity or a corresponding quantity of No. 1 Runners and No. 1 Spanish, and by making this change the Commodity Credit unquestionably saves money, because they are buying and diverting from edible channels a lower grade peanut than they would have to divert if we filled up the holes with No. 2 Virginias.

Senator ANDERSON. They make oil?

Mr. WOODLEY. Out of the No. 2's, yes.

Senator ANDERSON. They sell the oil?

Mr. WOODLEY. Yes.

Senator ANDERSON. And there is more oil in the Runners, or how do they make the money?

Mr. WOODLEY. They make more because they pay less for the No. 2 Virginias than they would have to pay for the farmers' stock. The cost to Commodity is less, but by that determination you say there is some question about whether that would be accurate. We don't know that. They come to us and say it is cheaper for them to buy the No. 2 Virginias and get them out of the way so they don't have to lose larger amounts of money.

We do sell some of our 2's in the edible trade.

Senator THYE. That is the question I would like to ask: What would the processor for the edible trade have paid for those No. 2's if he were allowed to come in and bid on them?

Mr. WOODLEY. What they have paid this year is the difference what the CC would pay for them.

Senator THYE. I will grant you that, but just take the CC out of the picture. Just simply say that you were offering the No. 2's on the market, as you should have been in accordance with the way the law was passed, that in Virginia you were allowed to grow the jumbo peanut, and that you had an acreage quota of so much in Virginia to grow the edible or the jumbo peanut. If you would have offered that percent, which was 10 percent, to the processor of candy, the confectionery, what would he have offered you for those peanuts?

Mr. WOODLEY. Sixteen cents, which would be competitive with No. 1 Runners.

Senator THYE. All right. Is there someone who took it upon himself to juggle a congressional act to his own pleasure and convenience? Unless I am misunderstanding all the testimony that has been given here today, that is what happened.

Mr. WOODLEY. Senator, I have no interest one way or the other. We are a processor in the middle, but I believe a thorough study,

which I am not prepared to give you, will reveal that it is a part of a diversion program that proves to be a cheaper method than diverting straight farmer stock.

Senator THYE. The testimony I recall was primarily that they say "give us so many acres of the Virginia type of peanut"—the type of peanut we want in the baseball park, and that is what the confectionery processor wants, because it is not so high in oil, and therefore not so dangerous to handle as it does not become rancid, and so forth. So they begged for an acreage that would permit an increase in the Jumbo.

Then after the jumbo is produced—and the peanut that is cracked is just as edible, just as good for the peanut butter process and just as good for the confectionery as the whole peanut—instead of the processing having an opportunity to build, you take it off of the market by a CCC manipulation or transaction. Immediately the market is there demanding the Runner type or the Spanish type or the type of a peanut that is recognized as an oil peanut. That is what I cannot understand, where the authorization came in. We could grant an additional acreage of Jumbos, and still the processor of food and the confectioners would not have the peanut. The CCC could take it off the market in the same manner they take 10 percent of the crop growing in Virginia, which was the jumbo type, because it happened to be cracked although it still would be acceptable to the confectioner.

Mr. WOODLEY. That is the CCC's method of handling their diversion program.

Senator THYE. Well, there is a question in my mind as to whether we have achieved what Congress was endeavoring to do.

Mr. WOODLEY. I am confident you have, sir.

Senator THYE. You and I have a difference of opinion.

The CHAIRMAN. Thank you, sir.

Will you come forward, Mr. Johnson.

STATEMENT OF CARL E. JOHNSON, CHAIRMAN, COMMITTEE ON GOVERNMENTAL RELATIONS, PEANUT AND NUT SALTERS ASSOCIATION, CHICAGO, ILL.

Mr. JOHNSON. My name is Carl E. Johnson, and I am chairman of the committee on governmental relations, Peanut and Nut Salters Association, Chicago, Ill.

I have no prepared statement, but I have just merely come here representing my association, because the association is strongly in favor of permanent legislation to permit provisions of the Agricultural Adjustment Act to be applied to each type of peanut.

I appeared before this committee last August, and I think you are fully aware of our position, that the urgency for increasing the acreage for the Virginia-type peanut is so great that regardless of anything else something must be done to alleviate that situation.

We have an economy upon us now that is similar to what we had in the last wartime, and as we go forward we might find that we are embarrassed if we don't have sufficient quantities of the Virginia-type peanut.

The Armed Forces are particularly partial to them, and we also have a growth in the country of a demand for that type, and we

are prohibited from properly publicizing or promoting because of the uncertainty of supply.

In fact, I believe it is not unwarranted to sound a warning, a warning of possible short supplies, rather than surpluses.

The salters remember all too well the shortages we had during the last war period.

That is all I have.

The CHAIRMAN. Are there any questions?

Thank you, sir.

Now, I notice that we have Congressman Abbitt here. Do you think, Congressman, you will help us get a bill along the line of S. 742?

STATEMENT OF HON. WATKINS M. ABBITT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. ABBITT. Thank you.

I don't know what has been said here.

I originally was very much in favor of my friend Johnson's idea for the separation of type, but that did not seem possible on our side of the Hill, but I do know there is a real need of something being done for the Virginia-type peanut.

I know that the users are not getting a sufficient supply, and I introduced a bill this year, H. R. 4, and Mr. Cooley introduced bill No. 40, which took care of that situation.

Our committee went into it fully, and they reported on another bill which takes care of the Virginia situation, and I am in favor of some measure being reported out along the lines of the bill you have here today for taking care of the situation generally.

The CHAIRMAN. When does the House expect to enact the bill?

Mr. ABBITT. The report is being gotten into shape today, I think, and we expect to get a rule sometime this week.

The CHAIRMAN. Thank you, sir.

Is there anybody else who desires to be heard?

If not, the hearings are closed and the meeting will stand in adjournment until our regular meeting on Wednesday at 10 o'clock.

Whereupon, at 4 p. m., the hearing was adjourned.)

(Additional statement filed with the Committee is as follows:)

BATON ROUGE, LA., February 16, 1951.

Senator ALLEN J. ELLENDER,

Chairman, Senate Agriculture Committee:

Our views conform to provisions covered in S. 742 in interest of Louisiana peanut producers. We urge favorable action.

LOUISIANA FARM BUREAU FEDERATION.
MALCOLM DOUGHERTY, *President.*

PEANUT ACREAGE ALLOTMENTS AND MARKETING QUOTAS

FEBRUARY 26, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 2615]

The Committee on Agriculture, to whom was referred the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The bill reported herewith (H. R. 2615) amends certain provisions of the Agricultural Adjustment Act of 1938, as amended, relating to the establishment of peanut-acreage allotments for States, counties, and farms. It also amends the provisions of law relating to the marketing of excess peanuts and clarifies the provision under which farm acreage allotments and marketing quotas established by local county committees may be reviewed by separate committees of disinterested farmers.

Probably the most important provision of the accompanying bill is the provision which will assure an ample production of all types of peanuts. One of the important provisions of the Agricultural Adjustment Act of 1938 is section 304 which establishes consumer safeguards. Under that provision it is made the duty of the Secretary of Agriculture to administer the statute so as to provide for the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demands at prices fair to both consumers and producers. The provisions of the accompanying bill will enable the Secretary of Agriculture to give full effect to the consumer safeguard provision by permitting

him to increase at any time the acreage allotment for any State producing a type of peanuts which is in short supply.

At the present time it is generally recognized that the Virginia-type peanuts, which are produced principally in the States of Virginia and North Carolina, are in short supply and that there is need for increasing the allotments for such type of peanuts above those provided for under existing legislation. The supply of such peanuts has been deemed so short by certain end users that efforts were made during the past year to import peanuts from China. While the committee does not agree that there has been a shortage sufficient to warrant such importation, it does recognize that corrective measures such as those proposed in the accompanying bill should be enacted into law so that the Secretary of Agriculture may at all times allocate sufficient acreage to produce an adequate supply of all types of peanuts to meet consumer demand at fair and reasonable prices.

In order to understand fully the need for the proposed legislation it is necessary to review briefly some of the underlying causes of the problems confronting peanut production. During World War II the demand for peanuts and peanut oil for war and essential civilian needs rose sharply and became so urgent that the Government resorted to almost every means at its command to increase the production of peanuts. As a result, peanut production was increased almost 100 percent. Even with such a tremendous increase the supply of peanuts in relation to need was so short that it was necessary for the Government to require that all peanuts produced be delivered to the Government. The Government in turn directed the supply of peanuts into the most essential uses for war purposes. Some of the incentives employed by the Department of Agriculture to encourage farmers to increase production to unprecedented levels included price support, assistance in obtaining seed, fertilizer, labor, machinery, and other production aids. Peanuts were also made a war crop to provide farmers with an incentive for shifting from the production of nonwar crops to the production of peanuts. During a major part of this period, peanuts for oil were deemed more essential than peanuts for nuts, and peanuts for oil were brought within the provisions of the Steagall amendment by action of the Secretary of Agriculture in publicly proclaiming the need for peanuts for such purpose and providing mandatory price support at levels not less than 90 percent of parity. To illustrate the effect of this action, one needs but to look to the level of producer-price support for the 1945 crop of peanuts, both for nuts and oil, which was close to 100 percent of the parity price of peanuts for nuts and about 200 percent of the comparable price of peanuts for oil.

At the request of the Government and with the assistance of the incentives provided, the harvested acreage of peanuts increased from 1,900,000 acres in 1941 to 3,355,000 acres in 1942. In 1943 the harvested acreage was 3,528,000 acres; in 1944, 3,068,000 acres; in 1945, 3,160,000; in 1946, 3,142,000 acres; in 1947, 3,389,000; and in 1948, 3,311,000 acres. Acreage allotments and marketing quotas were, of course, suspended during the war and there was no restriction on the acreage of peanuts which could be grown.

As a result of this wartime expansion there was a complete change in the acreage relationship which has existed between the States in the prewar period when the peanut provisions were first included in the Agricultural Adjustment Act of 1938.

In 1949 with the wartime demand at an end, it became necessary to adjust production again to peacetime needs, and marketing quotas were made effective in 1949 for the first time since 1942. The 1949 national acreage allotment called for a reduction in acreage from 3,311,000 to 2,628,970 acres, a reduction of 20.6 percent. In 1950 the national acreage allotment was again reduced from 2,628,970 to 2,200,194 acres, another reduction of 16.3 percent. In 1951 the national acreage allotment was again reduced from 2,200,194 acres in 1950 to 1,771,117 acres, a reduction of 19.5 percent. This represents a total reduction in acreage in 3 crop-years from 3,311,000 to 1,711,117, or 46.5 percent. This is one of the sharpest acreage reductions that producers of any commodity have ever been called upon to make within such a short period of time.

These adjustments in acreage are a direct result of the wartime expansion in peanut production. Producers of agricultural commodities, unlike producers of many industrial items of war, have had to carry the major burden of readjustment. However, even with this tremendously sharp cut in acreage, there have been some losses to the Government during the transition from wartime to peacetime production. To the extent that there have been any losses, however, it should be recognized that such losses are attributable directly to the wartime program which brought about the expansion in production for war purposes far beyond any reasonable peacetime needs. Similar losses incurred in connection with the termination of industrial wartime production were charged off as expenses incident to the prosecution of the war. The committee feels that losses incurred under the peanut program in this transition period should be similarly regarded.

The problem with which we are here confronted is essentially that of developing an equitable method of apportioning greatly reduced allotments among the States and at the same time obtaining the necessary production of any type of peanuts which may be in short supply. Prior to the war, the law as first enacted provided for a minimum national acreage allotment of 1,610,000 acres for the year 1941; this being the acreage that had already been allotted to farms for purposes of the agricultural conservation program formulated under the Soil Conservation and Domestic Allotment Act. The national acreage allotment was apportioned among the States on the basis of the acreage of peanuts harvested in each State during the 5-year period 1935-39, and the 1940 State peanut-acreage allotment which had been established under the agricultural conservation program. The law further provided that neither the national acreage allotment nor the allotment for any State in any subsequent year would be less than 95 percent of the 1941 National and State allotments. This provision was subsequently amended on July 26, 1946 (60 Stat. 705), to change this National and State minimum allotment provision from 95 percent of the 1941 allotment to 100 percent of the 1941 allotment.

The 1949 acreage allotment, the first allotment in effect since 1942, was apportioned among the States on the basis of the acreage of peanuts harvested for nuts in the 5-year period 1943-47, with adjustments for trends and abnormal conditions of production, with the exception that no State received an allotment less than the allotment it received in 1941. Except for this slight change in the minimum-allotment provisions, the national acreage allotment in 1949 was apportioned, in substance, upon the same basis as was the first allotment

in 1941; namely, upon the basis of the harvested acreage in the States during a specified base period. The minimum-allotment provision had little effect and was operative with respect to only one of the major peanut-producing States, since practically all States had increased their acreages during the base period and the national allotment for 1949 was larger than the 1941 allotment by more than 1,000,000 acres.

In 1949, prior to the time for proclaiming the national peanut-acreage allotment for the 1950 crop, it became apparent that the national acreage allotment would again be sharply reduced and that some States would be required to take further heavy reductions in their allotments, while other States whose peanut acreage had not expanded as much during the war years would, by virtue of the operation of the 1941 minimum State allotment provision, take little if any reduction. This gave rise to the demand for some adjustment. The law was amended on August 29, 1949 (63 Stat. 670), to provide that the allotment for each State would be not less than the larger of (1) the 1941 State allotment or (2) 60 percent of the acreage of peanuts harvested for nuts in the State in 1948. The latter provision had the effect of providing an alternative method for establishing minimum allotments, and under this provision certain States received larger allotments than they would otherwise have received. To cushion the effect of this adjustment, the amendment further provided that the national acreage allotment for 1950 could not be less than 2,100,000 acres.

Very shortly after the 1950 allotments were determined and announced, it appeared that two large peanut-producing States, by virtue of the operation of the two alternative provisions for establishing minimum State allotments, were required to take reductions greatly out of proportion to the reductions taken by some of the other States. The inequities in this situation were readily apparent, and the Congress took emergency action to correct the situation by providing that for the 1950 crop the allotment for any State would not be reduced by a percentage larger than the percentage by which the 1950 national acreage allotment was below the 1949 national acreage allotment. This amendment had the effect of correcting the situation for one year (1950), and an additional 100,194 acres were allotted. The greater portion of this additional allotment was apportioned to two States. The relief provided was limited to one year, because it was deemed desirable to reexamine the entire peanut-allotment apportionment system.

In the second session of the Eighty-first Congress, further consideration was given to the problem of apportioning the national peanut acreage allotment for 1951 and subsequent years among the States. The committee recommended and the House passed H. R. 9109. Section 9 of that bill provided for extensive changes in the method of apportioning the national allotment. The Senate did not act on this measure and it did not become law. As a result of the failure of the enactment of the provisions of H. R. 9109, the national acreage allotment for 1951 which was announced by the Secretary on October 26, 1950, has been apportioned among the States upon the basis of existing provisions of law and all peanut-producing States have received their 1951 allotments upon the basis of the original allotments received by such States in 1950. Therefore, all the inequities which were found to have existed in the original 1950 allotments have, in substance, been continued. In addition, areas

producing the Virginia-type peanuts, which are already in short supply, will be required to take reductions amounting to approximately 17 percent. This will further aggravate the shortage in this type of peanuts and be in direct conflict with the consumer safeguard provisions of the act referred to above.

The foregoing clearly discloses that the various States producing peanuts have shared in the 1950 national allotment and—unless the law is modified—will share in the 1951 national allotment upon different bases. In 1950 some of the States received allotments on the basis of 5-year history. Other States received allotments based upon their 1941 State allotments.

Still other States received allotments upon the basis of 60 percent of the acreage harvested in such States in 1948. This same formula, in substance, will be in effect in 1951, because each State in 1951 will receive its allotment based upon its original 1950 allotment. In 1951, however, the national allotment has been proclaimed at a level substantially below the 1950 allotment of 2,100,000 acres, and States producing Virginia-type peanuts which are in short supply will have to take substantial reductions because the minimum allotment provisions are no longer directly operative when the national acreage allotment falls below 2,100,000 acres. Thus, in effect, while attempting to bring about an over-all balance in supply and demand, shortages in the production of certain types of peanuts are likely to result.

It is the purpose of the accompanying bill to provide a basis for fairly adjusting production to peacetime needs as rapidly as is possible without creating undue hardship, and at the same time assuring an adequate production of all needed types of peanuts. This bill is designed to accomplish this objective through the gradual elimination of the minimum allotment provisions and a return to a history basis for apportionment of the national allotment, in order that all States will be treated alike and will receive their allotments on a formula common to all the States; namely, the acreage of peanuts harvested in the State during a moving base period.

It is believed that this is the only fair and sound method of apportioning the national allotment. In general, it is the principal method employed in apportioning allotments of all other crops. It is recognized, however, that to require all States to have their allotments determined immediately upon the basis of historical acreages, would cause some States to take reductions so large that undue hardship would result. Therefore, under the proposed bill those States which do not now have a historical base sufficient to justify their current allotment will be given an opportunity over a reasonable period of time to establish base histories which will enable such States to maintain their current relationship with other States. This is accomplished by providing for the establishment of allotments of those States on the basis of the final 1950 allotments and by adding the additional acreage required to the national allotment.

The acreage required in 1951 to enable such States to receive allotments based upon the final 1950 allotments amounts to approximately 3 percent of the national acreage allotment, or 55,105 acres. Only 14,167 acres, however, which is equivalent to eight-tenths of 1 percent of the national acreage allotment will go to States which do not produce any substantial quantity of the types of peanuts in short supply. In other words, it would appear that the States producing substantial

quantities of such types of peanuts will probably receive adjustments so as to provide such States with allotments in excess of the allotments which they now have or would receive under the method of apportioning the national allotment provided by the bill. Consequently, the net additional acreage of 14,167 acres which can be said to be added because of the change in the method of apportionment is in fact so small that it is easily within the margin of error that could reasonably be expected in determining the amount of the national allotment.

The bill will also bring about a further increase for 1951 of approximately 24,000 acres in order that no State will receive an allotment less than that already announced under existing legislation. Of this amount, approximately 14,000 acres will be in the Virginia-Carolina area producing types of peanuts in short supply. This additional acreage is made necessary because of the failure to revise the peanut-acreage-allotment provisions before the time of announcing the 1951 allotment.

The Secretary of Agriculture has recommended the enactment of the accompanying bill and the report of the Department is set forth below.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 19, 1951.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. COOLEY: In accordance with your request there is submitted a report on a bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to peanuts.

This report deals primarily with the proposed amendments to section 358 (c) of the act, since the Department has no objection to the other amendments contained in the bill.

H. R. 2615 amends section 358 (c) to apportion the national peanut-acreage allotment, less the acreage to be allotted to new farms for 1951, 1952, 1953, and 1954, to States on the basis of the average acreage of peanuts harvested for nuts in each State during the 5-year period 1945-49, but specifies that no State shall receive an allotment less than would be determined if the national allotment were apportioned among States on the basis of final 1950 State allotments. The bill further provides that for 1951 no State shall receive an allotment less than the allotment already announced under existing legislation. These increases would be in addition to the national acreage allotment and marketing quota.

H. R. 2615 also contains a provision which would permit the Secretary of Agriculture to increase the State acreage allotments for those States producing types of peanuts for which it is determined that the supply will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it.

In order to indicate the probable effects of H. R. 2615, there is attached a table entitled "Peanuts: Indicated 1951 State Acreage Allotments under H. R. 2615." This table indicates the approximate State acreage allotments which would be determined for the 1951 crop under the proposed bill. State acreage allotments for 1951 prior to probable increases for type would be as shown in column 7 of the attached table. If we assume a national acreage allotment for 1952, 1953, and 1954 of 1,771,117 acres, the same as the announced national allotment for 1951, State acreage allotments excluding possible "type" increases would be the same as the "First indicated 1951 acreage allotment" shown in column 5 of the attached table. In other words, the first proviso of the amendment to section 358 (c) (1) would result in increasing the national acreage allotment each year by approximately 3 percent over the national acreage allotment otherwise determined.

Although the major portion of this increase would be in States producing Virginia- and Valencia-type peanuts, there would also be some increase in allotments for other States producing primarily runner- and Spanish-type peanuts. The Department has no objection to the increase which would be brought about in allotments for States producing primarily Virginia or Valencia types. In fact, further increases for these States would be desirable. On the other hand, the Department objects to increasing allotments for those States producing principally runner and Spanish types, since such increase will tend to further increase the quantity of peanuts to be acquired by the Commodity Credit Corporation and which ordinarily will have to be disposed of at a loss to the Corporation.

The Department agrees with the purposes of the second proviso in the proposed amendment to section 358 (c) (1), since it would provide that in redetermining State acreage allotments for 1951 no State allotment would be established at a level below the allotment already determined and announced in accordance with existing legislation.

The proposed section 358 (c) (2) also is considered to be a desirable approach to the problem of apportionment of the national peanut acreage allotment to States for 1955 and subsequent years.

The Department also agrees with the intent of the proposed section 358 (c) (3) which would permit increasing allotments for individual types of peanuts when it is determined that such increases are needed in order to meet the demand for such types. However, this subsection, as written, places the entire authority and responsibility for "type" increases with the Secretary of Agriculture, and we would prefer that the legislation contain specific provisions for increasing the allotment for Virginia and Valencia types of peanuts in much the same way as outlined in our letter of December 8, 1950.

The increases for "type" shown in column 8 of the attached table are simply illustrative and are based on the assumption that if the legislation were enacted the total allotment for the five principal States producing Virginia- and Valencia-type peanuts would be increased to the extent required to result in a total 1951 allotment for such five States equivalent to the final 1950 allotment determined for such States. The bill places no limit on the amount of increases for "type" and, in view of the fact that Virginia and Valencia types from the 1950 crop are in short supply, it is likely that larger "type" increases would be determined for 1951.

Subject to the objections outlined above, the Department recommends passage of the bill.

In view of the subsequent request that this report be submitted immediately, we have not obtained advice from the Bureau of the Budget as to the relationship of the proposed legislation to the program of the President.

Sincerely,

C. J. McCORMICK,
Acting Secretary.

Peanuts: Indicated 1951 State acreage allotments under H. R. 2615

[Aeres]

State and area	1945-49 straight average acreage	Final 1950 State acre- age allot- ment	1,771,117 acres apportioned ¹		Increase by virtue of apportion- ment on basis of column 2 ²	First indi- cated 1951 acreage allotment ³	1951 acreage allotment announced Oct. 26, 1950	Final 1951 acreage allotment ⁴	Approximate increase for types under proposed legislation ⁵	Approximate 1951 total acreage al- lotment (column 8 and column 9)
			Basis of column 1	Basis of column 2						
Virginia.....	154,600	141,108	88,369	112,454	24,055	112,454	117,819	117,819	23,623	141,442
North Carolina.....	287,600	225,702	164,448	179,869	15,421	179,869	188,451	188,451	39,881	228,432
Tennessee.....	5,400	4,766	3,088	3,798	15,710	3,798	3,979	3,979	713	4,692
Total, Virginia-Carolina area.....	447,600	371,576	255,935	296,121	40,186	296,121	310,249	310,249	64,317	374,566
South Carolina.....	27,200	20,459	15,553	16,305	752	16,305	15,242	16,305	1,766	18,071
Georgia.....	1,046,600	701,400	598,439	558,968	598,439	598,439	555,628	598,439	598,439	598,439
Florida.....	96,400	73,235	55,121	58,364	3,243	58,364	61,149	61,149	61,149	61,149
Alabama.....	444,200	319,373	253,991	254,519	3,528	254,519	229,535	234,519	234,519	234,519
Mississippi.....	15,400	11,286	8,806	8,994	188	8,994	7,742	8,994	8,994	8,994
Total, southeast area.....	1,629,800	1,125,754	931,910	897,150	4,711	936,621	899,406	939,406	1,766	941,172
Arkansas.....	8,600	6,724	4,917	5,359	442	5,359	4,570	5,359	5,359	5,359
Louisiana.....	4,000	3,228	2,287	2,572	285	2,572	2,082	2,572	2,572	2,572
Oklahoma.....	241,400	183,600	138,031	146,317	8,286	146,317	153,298	153,298	153,298	153,298
Texas.....	723,600	499,873	413,750	398,365	8,286	413,750	376,732	413,750	413,750	413,750
New Mexico.....	10,000	6,902	5,718	6,500	782	5,718	4,975	5,718	582	6,300
Total, southwest area.....	987,600	700,327	564,703	558,113	9,013	573,716	541,667	580,697	582	581,279
Arizona.....	500	960	286	765	479	765	801	801	801	801
California.....	500	1,257	286	1,092	716	1,092	1,050	1,050	1,050	1,050
Missouri.....	500	320	286	255	286	286	233	286	286	286
Total, others.....	1,500	2,537	858	2,092	1,195	2,053	2,084	2,137	2,137	2,137
Acreage reserved for new farms.....	-----	-----	17,711	17,711	-----	17,711	17,711	17,711	-----	17,711
Total, United States.....	3,066,500	2,200,194	1,771,117	1,771,117	55,105	1,826,222	1,771,117	1,850,200	66,665	1,916,865

¹ Less reserve for new farms.² Column 5 added to table by committee staff.³ Larger of column 3 or column 4.⁴ Excluding possible increases for type under subsec. (e) (3).

⁵ Assuming increases for Virginia- and Valencia-type peanuts sufficient to result in a total allotment for the 5 principal States producing such types equivalent to the total final allotment determined for such States for 1950. A larger increase is permitted under H. R. 2615 and may be required inasmuch as Virginia and Valencia types from the 1950 crop are in short supply.

ANALYSIS OF THE BILL

SECTION 358 (C)—STATE ACREAGE ALLOTMENTS

H. R. 2615 provides that the national acreage allotment for 1951, 1952, 1953, and 1954, less the acreage allotted to new farms, shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in each State during the 5-year period 1945-49. It is provided, however, that the allotment so established for any State shall not be less than the allotment which would be established if the national acreage allotment for such year were apportioned among the States on the basis of the acreage allotted to each State as its share of the final 1950 national acreage allotment of 2,200,194 acres.

The proviso will prevent sharp reductions in the allotments for several of the States and will permit comparable State bases to be established during the years 1951-54 in order that the national allotment for 1955 and subsequent years may be apportioned to the States on a straight historical acreage basis. The bill further provides that apportionment of the 1951 national acreage allotment in the manner indicated will not have the effect of reducing any State allotment which has already been established and announced under existing law. The additional acreages authorized under these provisions will be in addition to the national acreage allotment.

The bill provides that the national acreage allotment for 1955 and any subsequent year, less the acreage to be allotted to new farms, shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the 5 years preceding the year in which the national acreage allotment is determined, adjusted for abnormal conditions of production. The amount of the harvested acreage for any year used in making this determination may not exceed the State acreage allotment for that year. Thus, the actual acreage harvested will be used if such acreage is less than the State allotment; but, if the harvested acreage exceeds the State allotment, the latter will be used as the acreage for that year.

The bill provides that, beginning with the 1951 crop, if the Secretary determines that the supply of any type of peanuts will be insufficient to meet the estimated demand for cleaning and shelling purposes at specified price levels, the State allotment for the States producing such type of peanuts shall be increased to the extent necessary to produce the quantity of peanuts required to meet such demands. The additional acreage allotment would be apportioned among the States for distribution among farms on the basis of the average acreage of peanuts (excluding excess acreage) of such type in the 3 years preceding the year in or for which the allotments are being determined. This will enable the Secretary to use the three most recent years for which data are available in making the apportionments to States and farms. For purposes of making determinations under this provision, the Secretary will be required to define the several types of peanuts. The additional acreage allotted to the States would be in addition to the national allotment and would not be considered in establishing future State, county, or farm allotments.

SECTION 358 (D)—FARM ACREAGE ALLOTMENTS

The bill provides that the State acreage allotment for 1952 and any subsequent year shall be apportioned among "old" peanut farms (farms on which peanuts have been harvested in any 1 of the 3 years preceding the year for which allotments are being established) on the basis of the past acreage of peanuts (excluding any acreage harvested in excess of the farm acreage allotment), taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop rotation practices; and soil and other physical factors affecting the production of peanuts.

Under existing law, allotments for "old" farms are established on the basis of the tillable acreage available for the production of peanuts and the past acreage of peanuts on the farm, taking into consideration the peanut-acreage allotments established for the farm under previous programs. The present factors do not permit the local committees to take into account certain facts and elements relating to peanut production which must be considered if fair and equitable allotments as between farms in a community or county are to be established. The factors included in the bill will permit the Secretary to lay down certain guides and standards which, when applied by the local committees, should result in proper distribution of the allotment available to the committees.

SECTION 358 (E)—COUNTY ACREAGE ALLOTMENTS

The bill provides that the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the act, provide for the apportionment of the State allotment among the counties on the basis of the past acreage of peanuts harvested for nuts (excluding excess acreage) in the county during the five preceding years, with adjustments for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of section 358 (c). Existing law provides for apportionment of the State acreage allotment direct to farms. It has been the experience of the Department of Agriculture that apportionment of allotment to farms is more effective where county acreage allotments are established and the county and community committees are given the responsibility for apportioning such allotment among the eligible farms.

SECTION 358 (F)—NEW FARMS

The bill provides that the Secretary may reserve not more than 1 percent of the national acreage allotment for establishing allotments for new farms; that is, farms on which peanuts will be produced in the current year but on which no peanuts were harvested during any 1 of the preceding 3 years. The factors upon which such apportionments would be made are: Past peanut-producing experience by the producers on the farm; land, labor, and equipment available for the production of peanuts; crop rotation practices; and soil and other physical factors affecting the production of peanuts. Existing law does not specifically provide for the establishment of allotments for "new" peanut farms.

SECTION 358 (G)—RELEASE AND REAPPORTIONMENT OF FARM ACREAGE ALLOTMENTS

The bill provides that any part of the acreage allotted to a farm which will not be used and which is voluntarily surrendered to the county committee by the owner or operator of the farm shall be deducted from the allotment for the farm and may be reapportioned by the county committee to other farms in the same county receiving peanut acreage allotments. Any transfer of allotment under this provision will not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred except that such farm will become ineligible for an "old" farm allotment if no peanuts are harvested from it during the base 3-year period. The acreage planted on a farm as a result of having received additional allotment under this provision of the bill will be considered the same as excess acreage in establishing future farm acreage allotments. The bill further provides that any part of a farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm.

SECTION 358 (H)—ALLOTMENTS FOR DISPLACED FARM OWNERS

The bill provides that the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee made within 5 years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired, but the total allotment for the farm may not exceed 50 percent of the acreage of cropland on the farm. The bill further provides that an owner shall not be eligible for the benefits of this provision if there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; or if any peanuts produced on such farm have not been accounted for as required by the Secretary; or if the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm.

SECTION 359 (G)—MARKETING OF EXCESS PEANUTS

Under existing law, if the total acreage of peanuts picked or threshed on the farm does not exceed the total acreage of peanuts picked or threshed on the farm in 1947, payment of the marketing penalty will not be required on any excess peanuts which are delivered to or marketed through an agency designated by the Secretary. The bill would change this provision so as to establish 1948 as the year to be

referred to in those cases where no peanuts were harvested on the farm in 1947.

Under existing law, if the Secretary determines that the supply of any type of peanuts produced in 1950 is insufficient to meet the demand for cleaning and shelling purposes at specified price levels, the Secretary shall permit the sale for cleaning and shelling of the excess peanuts of such type delivered to designated agencies to avoid the marketing penalty. Where such deliveries are made, the producers are paid the prevailing market value for such peanuts for crushing for oil and they receive a distribution of the net profits from the sales of such peanuts for cleaning and shelling purposes. The bill would give the Secretary authority to operate such a program in 1951 and any subsequent year. However, in view of the provisions of the bill authorizing the Secretary to increase the allotments for States producing peanuts of a type in short supply, it appears that the authority vested in the Secretary by this provision would not be exercised unless a shortage in a particular type of peanuts developed because of abnormally low yields or increased demand.

The bill further provides that, as an alternative to designated agencies paying producers the prevailing oil value for deliveries of excess peanuts of any type in short supply and subsequently distributing the proceeds from sales of such peanuts among the producers, the Secretary may authorize peanut buyers to purchase such peanuts from producers at specified price levels. If peanut buyers were so authorized, producers would have the option of either delivering such peanuts to designated agencies or selling them to approved buyers, and in either case the marketing would not be subject to penalty. The committee understands that the distribution of net profits among the producers who delivered excess peanuts of a type declared to be in short supply requires the keeping of numerous records. Moreover, it is usually several months before the producer receives the distribution payment. Under the alternative method proposed in the bill, the producer would receive full payment from the approved buyer to whom he sold his peanuts.

SECTION 363—REVIEW OF FARM ACREAGE ALLOTMENTS

The bill amends section 363 of the act to state that the members of a local review committee shall be appointed by the Secretary from the same or nearby counties. The review committees are local committees composed of three farmers appointed by the Secretary to review the farm acreage allotments and marketing quotas of dissatisfied farmers in the locality. Since the act was passed in 1938, the Secretary has followed the practice of appointing on these review committees those farmers who are county or community committeemen in adjacent or nearby counties. These farmers were appointed because they were familiar with the marketing-quota program and were, therefore, able to deal effectively with the complaints of farmers in the area. Although a marketing-quota program has been in effect for some commodity for each of the years since the passage of the act, some question has arisen regarding the legality of appointing county and community committeemen from adjoining counties on these review committees. The committee feels that these farmers are best qualified to serve on the review committees and that any doubt regarding the legality of their appointment should be settled.

Therefore, this amendment is merely to clarify a section of the present law.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

SEC. 358. * * *

[(c) The national acreage allotment shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the five years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That the allotment established for any State shall be not less than (1) the allotment established for such State for the crop produced in the calendar year 1941, or (2) 60 per centum of the acreage of peanuts harvested for nuts in the calendar year 1948, whichever is larger: *Provided further*, That if the national acreage allotment in any year is less than two million one hundred thousand acres, then the allotment for each State after being calculated as hereinabove provided shall be reduced by the same percentage as the State allotment (as so calculated) bears to the national allotment: *And provided further*, That the national acreage allotment for the crop year 1950 shall be not less than two million one hundred thousand acres.]

(c) (1) *The national acreage allotment for 1951, 1952, 1953, and 1954, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in each State during the five-year period 1945-1949: Provided, That the State acreage allotment so established for any State shall not be less than the acreage allotment which would be established for such State if the national acreage allotment for such year were apportioned among the States on the basis of the acreage allotted to each State as its share of the final 1950 national acreage allotment of two million two hundred thousand one hundred and ninety-four acres: Provided further, That the allotment so determined for any State for 1951 which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for the increase authorized under the foregoing provisos shall be in addition to the national acreage allotment and the production from such acreage shall be in addition to the national marketing quota.*

(2) *The national acreage allotment for 1955 and any subsequent year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the five years preceding the year in which the national acreage allotment is determined, adjusted for abnormal conditions of production, but such harvested acreage for any year of the five-year period shall not exceed the State acreage allotment for such year.*

(3) *Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, adjusted for trends in yields and abnormal conditions of production affecting yields in such five years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-1952 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts (excluding acreage in excess of farm allotments) of such type or types in the three years preceding the year in or for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments.*

(d) *The Secretary shall provide for apportionment of the State acreage allotment for any State through local committees among farms on which peanuts*

were grown in any of the three years immediately preceding the year for which such allotment is determined. [Such apportionment shall be made on the basis of the tillable acreage available for the production of peanuts and the past acreage of peanuts on the farm, taking into consideration the peanut-acreage allotments established for the farm under previous agricultural adjustment and conservation programs.] *The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.* Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years. The amount of the marketing quota for each farm shall be the actual production of the farm-acreage allotment, and no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm.

(e) *Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.*

(f) *Not more than one per centum of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.*

(g) *Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: Provided, That, notwithstanding any other provisions of this Act, any part of any farm-acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.*

(h) *Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: Provided, That such allotment shall not exceed 50 per centum of the acreage of cropland on the farm.*

The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts

produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm.

SEC. 359. * * *

(g) If the total acreage of peanuts picked or threshed on the farm does not exceed the total acreage of peanuts picked or threshed on the farm in 1947 or 1948, if no peanuts were harvested on the farm in 1947, payment of the marketing penalty as provided in subsection (a) will not be required on any excess peanuts which are delivered to or marketed through an agency or agencies designated each year by the Secretary. Any peanuts received under this subsection by such agency shall be sold by such agency (i) for crushing for oil under a sales agreement approved by the Secretary; (ii) for cleaning and shelling at prices not less than those established for quota peanuts under any peanut diversion, peanut loan, or peanut purchase program; or (iii) for seed at prices established by the Secretary. For all peanuts so delivered to a designated agency under this subsection, producers shall be paid for the portion of the lot constituting excess peanuts, the prevailing market value thereof for crushing for oil (but not more than the price received by such agency from the sale of such peanuts), less the estimated cost of storing, handling, and selling such peanuts: *Provided*, That [for the 1950 crop] if the Secretary determines that the supply of any type of peanuts is insufficient to meet the demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for such purposes, the Secretary shall permit the sale, for cleaning and shelling, of the excess peanuts of such type so delivered. Such sales shall be in quantities necessary to meet such demand and at prices not less than those at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for cleaning and shelling. The proceeds received from the sale of such peanuts of such type for cleaning and shelling shall, after deduction of the price paid to producers and other costs incurred in connection therewith, including estimated cost of proration, be prorated proportionately among all of the producers delivering excess peanuts of such type to designated agencies under this section. *As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies.* Any person who, pursuant to the provisions of this subsection, acquires peanuts for crushing for oil and who uses or disposes of such peanuts for any purpose other than that for which acquired shall pay a penalty to the United States, at a rate equal to the marketing penalty prescribed in subsection (a), upon the peanuts so used or disposed of and shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, for each and every offense. Operations under this subsection shall be carried on under regulations prescribed by the Secretary.

(h) For the purposes of price support with respect to the 1950 and subsequent crops of peanuts, a "cooperator" shall be (1) a producer on whose farm the acreage of peanuts picked or threshed does not exceed the farm acreage allotment or (2) a producer on whose farm the acreage of peanuts picked or threshed exceeds the farm acreage allotment provided any peanuts picked or threshed in excess of the farm marketing quota are delivered to or marketed through an agency or agencies designated by the Secretary without penalty in accordance with the provisions of subsection (g) and regulations prescribed by the Secretary.

SEC. 363. Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary. Such committee shall not include any member of the local committee which determined the farm acreage allotment, the normal yield, or the farm marketing quota for such farm. Unless application for review is made within such period, the original determination of the farm marketing quota shall be final. (7 U. S. C. 1363.)



82^D CONGRESS
1ST SESSION

H. R. 2615

[Report No. 169]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 1951

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

FEBRUARY 26, 1951

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 358 of the Agricultural Adjustment Act of
4 1938, as amended, is amended to read as follows:

5 1. Subsection (c) is amended to read as follows:

6 “(c) (1) The national acreage allotment for 1951,
7 1952, 1953, and 1954, less the acreage to be allotted to
8 new farms under subsection (f) of this section, shall be
9 apportioned among the States on the basis of the average
10 acreage of peanuts harvested for nuts in each State during
11 the five-year period 1945–1949: *Provided*, That the State

1 acreage allotment so established for any State shall not be
2 less than the acreage allotment which would be established
3 for such State if the national acreage allotment for such
4 year were apportioned among the States on the basis of the
5 acreage allotted to each State as its share of the final 1950
6 national acreage allotment of two million two hundred thou-
7 sand one hundred and ninety-four acres: *Provided further,*
8 That the allotment so determined for any State for 1951
9 which is less than the 1951 State allotment announced by
10 the Secretary prior to the enactment of this Act shall be
11 increased to such announced allotment and the acreage
12 required for the increase authorized under the foregoing
13 provisos shall be in addition to the national acreage allot-
14 ment and the production from such acreage shall be in addi-
15 tion to the national marketing quota.

16 “(2) The national acreage allotment for 1955 and any
17 subsequent year, less the acreage to be allotted to new farms
18 under subsection (f) of this section, shall be apportioned
19 among the States on the basis of the average acreage of
20 peanuts harvested for nuts in the State in the five years
21 preceding the year in which the national acreage allotment
22 is determined, adjusted for abnormal conditions of produc-
23 tion, but such harvested acreage for any year of the five-year
24 period shall not exceed the State acreage allotment for such
25 year.

1 “(3) Notwithstanding any other provision of law, if the
2 Secretary of Agriculture determines, on the basis of the aver-
3 age yield per acre of peanuts by types during the preceding
4 five years, adjusted for trends in yields and abnormal con-
5 ditions of production affecting yields in such five years, that
6 the supply of any type or types of peanuts for any marketing
7 year, beginning with the 1951-1952 marketing year, will
8 be insufficient to meet the estimated demand for cleaning and
9 shelling purposes at prices at which the Commodity Credit
10 Corporation may sell for such purposes peanuts owned or
11 controlled by it, the State allotments for those States pro-
12 ducing such type or types of peanuts shall be increased to
13 the extent determined by the Secretary to be required to
14 meet such demand. The total increase so determined shall
15 be apportioned among such States for distribution among
16 farms producing peanuts of such type or types on the basis
17 of the average acreage of peanuts (excluding acreage in
18 excess of farm allotments) of such type or types in the
19 three years preceding the year in or for which the allotments
20 are being determined. The additional acreage so required
21 shall be in addition to the national acreage allotment, the
22 production from such acreage shall be in addition to the
23 national marketing quota, and the increase in acreage allotted
24 under this provision shall not be considered in establishing
25 future State, county, or farm acreage allotments.”

1 2. Subsection (d) is amended by changing the second
2 sentence to read as follows:

3 “(d) The State acreage allotment for 1952 and any
4 subsequent year shall be apportioned among farms on which
5 peanuts were produced in any one of the three calendar
6 years immediately preceding the year for which such appor-
7 tionment is made, on the basis of the following: Past acreage
8 of peanuts, taking into consideration the acreage allotments
9 previously established for the farm; abnormal conditions
10 affecting acreage; land, labor, and equipment available for
11 the production of peanuts; crop-rotation practices; and soil
12 and other physical factors affecting the production of
13 peanuts.”

14 3. Add new subsections (e), (f), (g), and (h) as
15 follows:

16 “(e) Notwithstanding the foregoing provisions of this
17 section, the Secretary may, if the State committee recom-
18 mends such action and the Secretary determines that such
19 action will facilitate the effective administration of the pro-
20 visions of the Act, provide for the apportionment of the State
21 acreage allotment for 1952 and any subsequent year among
22 the counties in the State on the basis of the past acreage of
23 peanuts harvested for nuts (excluding acreage in excess of
24 farm allotments) in the county during the five years im-
25 mediately preceding the year in which such apportionment

1 is made, with such adjustments as are deemed necessary for
2 abnormal conditions affecting acreage, for trends in acreage,
3 and for additional allotments for types of peanuts in short
4 supply under the provisions of subsection (c). The county
5 acreage allotment shall be apportioned among farms on the
6 basis of the factors set forth in subsection (d) of this section.

7 “(f) Not more than one per centum of the national
8 acreage allotment shall be apportioned among farms on
9 which peanuts are to be produced during the calendar year
10 for which the allotment is made but on which peanuts were
11 not produced during any one of the past three years, on the
12 basis of the following: Past peanut-producing experience by
13 the producers; land, labor, and equipment available for the
14 production of peanuts; crop-rotation practices; and soil and
15 other physical factors affecting the production of peanuts.

16 “(g) Any part of the acreage allotted to individual
17 farms under the provisions of this section on which peanuts
18 will not be produced and which is voluntarily surrendered
19 to the county committee shall be deducted from the allot-
20 ments to such farms and may be reapportioned by the county
21 committee to other farms in the same county receiving allot-
22 ments, in amounts determined by the county committee to
23 be fair and reasonable on the basis of land, labor, and equip-
24 ment available for the production of peanuts, crop-rotation

1 practices, and soil and other physical factors affecting the
2 production of peanuts. Any transfer of allotments under this
3 provision shall not operate to reduce the allotment for any
4 subsequent year for the farm from which acreage is trans-
5 ferred, except as the farm becomes ineligible for an allotment
6 by failure to produce peanuts during a three-year period, and
7 any such transfer shall not operate to increase the allotment
8 for any subsequent year for the farm to which the acreage
9 is transferred: *Provided*, That, notwithstanding any other
10 provisions of this Act, any part of any farm acreage allot-
11 ment may be permanently released in writing to the county
12 committee by the owner and operator of the farm, and
13 reapportioned as provided herein.

14 “(h) Notwithstanding any other provision of this sec-
15 tion, the allotment determined or which would have been
16 determined for any land which is removed from agricultural
17 production in 1950 or any subsequent year for any purpose
18 because of acquisition by any Federal, State, or other agency
19 having a right of eminent domain shall be placed in a pool
20 and shall be available for use in providing equitable allot-
21 ments for farms owned or acquired by owners displaced
22 because of acquisition of their farms by such agencies. Upon
23 application to the county committee, within five years from
24 the date of such acquisition of the farm, any owner so dis-
25 placed shall be entitled to have an allotment for any other

1 farm owned or acquired by him equal to an allotment which
2 would have been determined for such other farm plus the
3 allotment which would have been determined for the farm
4 so acquired: *Provided*, That such allotment shall not exceed
5 50 per centum of the acreage of cropland on the farm.

6 "The provisions of this section shall not be applicable if
7 (a) there is any marketing quota penalty due with respect
8 to the marketing of peanuts from the farm acquired by the
9 Federal, State, or other agency or by the owner of the farm;
10 (b) any peanuts produced on such farm have not been
11 accounted for as required by the Secretary; or (c) the allot-
12 ment next established for the farm acquired by the Federal,
13 State, or other agency would have been reduced because of
14 false or improper identification of peanuts produced on or
15 marketed from such farm."

16 SEC. 2. Subsection (g) of section 359 of the Agricul-
17 tural Adjustment Act of 1938, as amended, is amended
18 (1) by adding after "1947" in the first sentence the words
19 "or 1948, if no peanuts were harvested on the farm in 1947",
20 (2) by striking out after the word "That," where it first
21 appears in the proviso, the following words: "for the 1950
22 crop", and (3) by inserting the following new sentences
23 after the fifth sentence: "As an alternative to designated
24 agencies paying the prevailing oil value for such excess pea-
25 nuts of any type in insufficient supply and the subsequent

1 distribution of sales proceeds therefrom in accordance with
2 the foregoing provisions of this subsection, the Secretary
3 may also authorize peanut buyers approved pursuant to regu-
4 lations of the Secretary to purchase such peanuts from pro-
5 ducers at prices not less than those at which such peanuts
6 may be sold for cleaning and shelling by the Commodity
7 Credit Corporation. In the event of such authorization by
8 the Secretary, producers shall have the option of either de-
9 livering such peanuts to designated agencies or selling such
10 peanuts to approved peanut buyers, and such sales to ap-
11 proved buyers shall have the same effect, with respect to
12 avoidance of the marketing penalty and classification of pro-
13 ducers as cooperators, as deliveries to designated agencies.”

14 SEC. 3. The first sentence of section 363 of the Agricul-
15 tural Adjustment Act of 1938, as amended, is amended to
16 read as follows: “Any farmer who is dissatisfied with his
17 farm marketing quota may, within fifteen days after mailing
18 to him of notice as provided in section 362, have such quota
19 reviewed by a local review committee composed of three
20 farmers from the same or nearby counties appointed by the
21 Secretary.”

82ND CONGRESS
1ST Session

H. R. 2615

[Report No. 169]

A BILL

To amend the Agricultural Adjustment Act of
1938, as amended.

By Mr. COOLEY

FEBRUARY 13, 1951

Referred to the Committee on Agriculture

FEBRUARY 26, 1951

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

DIGEST

OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Mar. 8, 1951
For actions of Mar. 7, 1951
82nd-1st, No. 41

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HIGHLIGHTS: House passed peanut-quotas bill. House Rules Committee cleared emergency reorganization bill. Both Houses received conference report on contract-renegotiation bill. Senate confirmed Ramspeck nomination. Sen. Ellender inserted and discussed report on farm prices in relation to food prices. Senate debated military-training bill, agreeing to amendment fixing 4,000,000 ceiling on armed forces on active duty.

HOUSE

1. **PEANUTS.** Passed, 160-126, without amendment H. R. 2615, to provide for increased acreage allotments and marketing quotas for certain types of peanuts (pp. 2149-75). Rejected, 174-212, a Heseltun motion to recommit the bill (p. 2175). During the debate Rep. Beckworth, Tex., criticized controls on small farmers and inserted various letters from this Department on the bill (pp. 2167-70).
2. **REORGANIZATION.** The Rules Committee reported a resolution for debate on H. R. 1545, the emergency reorganization bill (p. 2184). The Majority Leader announced that this bill will be debated today, Mar. 8 (p. 2151).
3. **CONTRACT RENEGOTIATION.** Both Houses received the conference report on H. R. 1724, the contract-renegotiation bill (pp. 2177-80, 2121). (H. Rept. 213.)
4. **INFLATION.** Rep. Sikes, Fla., said the administration should take a stronger stand against inflation (p. 2148).
5. **EXPENDITURES.** Rep. Mason, Ill., spoke in favor of reducing Government expenditures (p. 2149).
6. **EASTER RECESS.** Majority Leader McCormack announced that "the leadership of the House have agreed on a recess for the House from March 22 to April 2" (p. 2151).

SENATE

7. **MILITARY TRAINING.** Continued debate on S. 1, the military-training selective-service bill (pp. 2105-29, 2131-8, 2145-7). Agreed to an amendment by Sen. Morse, as amended by an amendment by Sen. Robertson, to place a ceiling of 4 million on active-duty personnel of the armed forces, by a vote of 49-41

- (pp. 2106-19). Rejected an amendment by Sen. McMahon to fix the ceiling at 5 million (pp. 2113-7). Reached an agreement to limit debate on remaining important amendments and to vote of the bill Thurs., Mar. 8 (pp. 2136-8).
8. FARM PRICES. Sen. Ellender inserted and discussed reports of the Agriculture and Forestry Committee on prices of agricultural commodities received by farmers in relation to retail food prices, and on trends in farm income (pp. 2129-31).
 9. FARM LABOR. Sen. Ellender announced that the Agriculture and Forestry Committee is to hold hearings beginning Mar. 13 on bills to import foreign agricultural labor (p. 2129).
 10. NOMINATION. Confirmed unanimously the nomination of Robert Ranspeck to be Civil Service Commissioner (pp. 2145, 2147). Several Senators commended Mr. Ranspeck (p. 2145).
 11. COTTON PRICES. Received a Dallas (Tex.) Cotton Exchange and Dallas Cotton Shippers Assn. resolution relating to the placing of ceiling prices on raw cotton (p. 2139).
 12. DAIRY INDUSTRY. Sen. Wiley inserted a Wisconsin Dairy Federation statement favoring the allocation of sufficient materials to insure a full supply of milk and dairy products (p. 2140).
 13. RFC REORGANIZATION. The Banking and Currency Committee discussed Reorganization Plan 1, regarding RFC, and decided "to take no action on the plan as a committee" (p. 2162).
 14. PAYMENTS IN LIEU OF TAXES. Received a S. Dak. Legislature resolution favoring payments to States and local governments of amounts equivalent to taxes when lands are removed from the tax base by Federal agencies (p. 2138).
 15. EASTER RECESS. Majority Leader McFarland announced that the Senate is to take a brief Easter recess upon completion of action on the following measures: Call of the calendar for unobjected-to bills; S. 728, to amend the Subversive Control Act; S. J. Res. 39, to continue rent controls until June 30, 1951; S. Res. 8, on sending troops to Europe; and S. 1, the military training bill (pp. 2120-1).

BILLS INTRODUCED

16. SOIL CONSERVATION. H. R. 3091, by Rep. Granger, Utah, to amend the Soil Conservation and Domestic Allotment Act; to Agriculture Committee (p. 2184).
17. PERSONNEL. H. R. 3122, by Rep. Perkins, Ky., to amend the Civil Service Retirement Act of May 29, 1930, to provide minimum annuity payments of \$100 a month to certain officers and employees; to Post Office and Civil Service Committee (p. 2185).
S. 1068, by Sen. Smith (N.J.) (for himself and Sen. Hendrickson), to provide that compensation of a Federal officer or employee shall be subject to State tax only in the State where his is domiciled; to Finance Committee (p. 2141).
18. R.F.C. H. R. 3101, by Rep. Buffett, Nebr., H. R. 3107, by Rep. Kean, N. J., and H. R. 3116, by Rep. Norblad, Oreg., for the liquidation of the assets and winding up of the affairs of RFC; to Banking and Currency Committee (p. 2184).

19. ROADS. H. R. 3110, by Rep. Havenner, Calif., to permit the allocation of funds under the Federal Highway Act for the construction, reconstruction, or maintenance of highway approaches to certain toll bridges which are part of the strategic network of highways; to Public Works Committee (p. 2184).
H. R. 3120, by Rep. Staggars, W. Va., to provide a system of transcontinental superhighways; to Public Works Committee (p. 3185).

20. WATER UTILIZATION. H. J. Res. 187, by Rep. Hinshaw, Calif., to grant the consent of Congress to joinder of the U. S. in Supreme Court suits for adjudication of claims to waters of the Colorado River; to Judiciary Committee (p. 2185).

21. ADMINISTRATIVE PROCEDURE. H. R. 3097, by Rep. Walter, Pa., to protect the public with respect to practitioners before administrative agencies; to Judiciary Committee (p. 2184).

22. PERSONNEL; TAXATION. H. R. 3054, by Rep. Wolverton, W. J., amends section 1341 of title 28 of the U. S. Code so as to give the district courts original jurisdiction in cases involving the liability of a Government employee for State taxes where the claim of domicile is disputed by the taxing authority, and to make the employee's compensation subject to State tax only in the State where he is domiciled; to Judiciary Committee (Mar. 5, 1951).

ITEMS IN APPENDIX

23. C.C.C. Sen. Martin inserted a Washington (Pa.) Observer editorial commending Sen. Williams for his investigations of the accounts of CCC (pp. A1300-1).
24. FARM PRICES. Sen. Langer inserted a constituent's letter discussing the costs of farm machinery in relation to the price received for wheat (p. A1309).
Sen. Langer inserted a Bismarck (N. Dak.) Leader article discussing the long working hours of farmers and stating that "many farm prices are still below parity levels" (p. A1299).
25. MEAT PRICES. Extension of remarks of Rep. Philbin, Mass., urging reductions in meat prices and stating that if necessary "Congress must enact special legislation to relieve present intolerable prices" (p. A1269).
26. CONSERVATION. Rep. Poulson, Calif., inserted John Bertran's article discussing conservation as it applies to the national parks (p. A1283).
27. EXPENDITURES. Rep. Gwinn, N. Y., inserted an American Agriculturist article criticizing the President's budget and urging reduction in nonessential expenditures (p. A1292).
28. PERSONNEL. Extension of remarks of Rep. Reams, Ohio, outlining the growth of the civil-service system (pp. A1276-7).
29. ST. LAWRENCE SEAWAY. Rep. Brownson, Ind., and Rep. Lane, Mass., inserted newspaper articles opposing this project (pp. A1267, 1283-4).

COMMITTEE HEARINGS ANNOUNCEMENTS for Mar. 8: H. Agriculture, foreign farm labor; H. Appropriations, agriculture appropriations (ex.); H. Armed Services, manpower and military training; H. Interior, central Arizona project; H. Judiciary, monopolies; H. Civil Service, postal rates; H. Ways and Means, tobacco taxes; S. Banking and Currency, defense housing; S. Finance, trade agreements; S. Interior, fuel reserves; S. Civil Service, pay and overtime pay bills; and J. Defense Production, raw cotton controls (Sec. Brannan & DiSalle to testify).

WE ACCEPT THE PRESIDENT'S CHALLENGE

(Mr. MASON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MASON. Mr. Speaker, when President Truman invited the Ways and Means Committee to the White House to discuss the budget with him, he presented his budget of \$71,600,000,000, said it was the absolute minimum needed to operate the Government for next year, and challenged the committee to show him where it could be reduced. Answering that challenge, the writer said:

Mr. President, the second item in the budget is \$7,500,000,000 for international aid. Senator BYRD says that can be cut in half, and I agree with Senator BYRD.

The President then intimated that commitments had been made covering that amount that must be honored.

Where does the burden of proof rest concerning budget reductions, upon the people or upon the Government? Should not the burden of proof rest upon the Government and its departments? Each item of expense should be justified for retention in the budget by the department that proposes to spend it—and a previous commitment unauthorized by Congress should not be considered a justification.

Mr. Speaker, the following are budget items that can and should be reduced:

First. The Government has nothing of its own to lend. It can make loans only after getting the money from the people in taxes. Yet the Government lends \$2,500,000,000,000 a year, some of it—RFC loans, for instance—not very wisely. On this item alone we can easily save \$1,250,000,000,000.

Second. The President proposes in his budget to spend \$540,000,000 for public works next year. During World War II public-works expenditures were reduced to \$80,000,000 per year. We can and should reduce public-works expenditures for next year to World War II level at least, and thus save \$460,000,000.

Third. In the field of Federal grants and subsidies of all kinds there is room for wholesale reductions. Grants-in-aid to States, cities, and private groups amount each year to between \$3,000,000,000 and \$4,000,000,000, and subsidies of various kinds amount to another billion dollars. In this field alone a reduction of \$2,500,000,000 can easily be made.

Fourth. Then comes the inefficiency, the duplication and overlapping of Government activities, the red tape, and the dead timber among Federal employees. Here, according to the Hoover reports and Senator BYRD's recommendations, at least another \$2,000,000,000 can be saved.

All told, therefore, we can and should reduce the President's budget about as follows:

International aid.....	\$3,750,000,000
Government loans.....	1,250,000,000
Public works.....	500,000,000
Grants-in-aid and subsidies.....	2,500,000,000
Payroll inefficiency.....	2,000,000,000
Total reduction.....	10,000,000,000

DRAFTING OF INACTIVE RESERVES

(Mr. AYRES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. AYRES. Mr. Speaker, on several occasions in the past I have referred to the inequities in connection with the drafting of servicemen who happen to be in the inactive Reserves. This morning I received a letter from the wife of a serviceman that leads me to believe that the military are mishandling their responsibilities. I have confirmed the facts stated in the letter and will appreciate the Members of this body exerting what pressure they can to see that such inequities are stopped. It is appalling to me to realize that a soldier will be shipped into a combat area for combat duty when his training consists of nothing more than having fired the M-1 rifle approximately 42 rounds. If this is the type of training our boys are receiving before being sent into combat duty I do not know how the military has the nerve to ask us to turn every 18-year-old boy in this country over to them.

The letter referred to is as follows:

On January 29, 1951, my husband was inducted by Portage County Draft Board, 100, Ravenna, Ohio. He was sent to Fort Knox, Ky., and assigned to Company C, Forty-fifth Armored Medical Battalion, Reserve Command, Third Armored Division, Fort Knox, Ky. February 12, 1951, he was sent to Fort Knox General Hospital for 5 days. Prior to his hospitalization he had no infantry basic training. He was discharged from the hospital February 16 and he received his special orders that same day, dated February 15, 1951. Paragraph 107, line 7: He will proceed to Fort Lawton, Wash., for Far East command, March shipment. He fired the M-1 rifle approximately 42 rounds and that constituted his training. He had never before fired this rifle.

Superintendent of the Kent division of the Erie Railroad, Mr. R. H. Lewis, requested a deferment rejected.

PEANUT ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 148 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended. That after general debate, which shall be confined to the bill and continued not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, I have no requests for time on this side of the aisle and I know of no opposition to the rule. I wonder if the gentleman from Illinois would care to use now such time as he may desire.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no opposition on this side to the rule, either.

I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Speaker, in the morning press the statement inadvertently, no doubt, created the impression that I wrote the minority report on the President's Reorganization Plan No. 1. A factual and a convincing report has been filed. It was signed by all the minority members of the committee. The report was, with the assistance of some other Members of the minority, drafted by and in the office of our colleague from Michigan [Mr. MEADER]. Whatever credit is deserved because of the excellence of that report should be given to the gentleman from Michigan [Mr. MEADER] and those who assisted him.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KEATING].

LET US TRY TO KEEP THE WHITE HOUSE WHITE

Mr. KEATING. Mr. Speaker, whatever our views may be regarding the present occupant of the White House, we would all agree that the exalted office of the President of the United States is deserving of the utmost respect. It is serious to have the people of the country lose confidence in their chosen leadership. Infinitely more serious is it when they lose respect for that leadership.

Recent revelations about influence peddling by White House attachés and their cronies, brought out not by political adversaries but by members of the President's own party, are bound to bring the office into disrepute.

To conduct a roll call or, perhaps more appropriately, a line-up of some of the White House favorites is not an inspiring task. Thus, we have, to cite a few:

First, Donald Dawson, the Presidential assistant in charge of personnel. He was formerly an RFC official and his wife is now in charge of files of the lending agency. The Fulbright committee in an official report said that Dawson "exercised considerable influence over certain of the directors of the RFC." Senator FULBRIGHT revealed March 5 that Donald Dawson was a guest on a complimentary basis at the luxurious Saxony Hotel at Miami Beach, Fla., on three different occasions in December of 1949 and March and April 1950. The Saxony Hotel is owned by George Sax, the punch-board king of the country, the punch-board business enjoying a take of about a billion dollars a year. The Saxony Hotel received a loan from the RFC of \$1,500,000 in May of 1949. When Dawson was the guest of the Saxony Hotel on a complimentary basis, the Hotel Saxony Enterprises, Inc., was ne-

gotiating with RFC to secure the relaxation of certain of the conditions of a loan agreement.

Second. E. Merl Young, one of the Missouri boys. In the short space of 11 years he rose from a humble \$1,080-a-year job to an admitted income of \$28,000 a year as an officer of two companies which received RFC loans. His wife, a long-time employee of Senator and President Harry Truman, is now a White House secretary and received a \$9,500 mink coat paid for by Joseph Rosenbaum, Washington attorney, who, Senate investigators were told, had two RFC directors "in his hip pocket." Witnesses before the Fulbright committee investigating Young's status as an "influence boy" on RFC loans testified that Young said at various times that the President was his uncle. Young went from his \$1,080-a-year job to the RFC and finally to a \$7,193-a-year job in that agency before he left to become an official of the Lustron Corp. and the Jacobs Corp., of Detroit, both RFC borrowers.

Third. Maj. Gen. Harry Vaughan, the President's military aide. He used his White House office to exert influence in various Government departments, particularly the Agriculture Department and the Defense Department. He cemented his position with Truman administration "big shots" by presenting them with Deep Freeze equipment. He could not find an American girl competent to be his private and confidential secretary at the White House and so the administration had a special law adopted by Congress to grant residence to an alien to serve in that capacity.

Fourth. John Maragon, close friend of General Vaughan's. He had a special White House pass and parking permit in the early days of the Truman administration and is now under a jail sentence for denying under oath to a Senate committee that he was a Washington "fixer."

Fifth. Edward F. Prichard, Jr., the former wonder boy of the White House staff. He was assistant to James F. Byrnes and Fred M. Vinson when they were economic stabilizers with a White House office, and has just served a jail term for stuffing ballot boxes in his home State of Kentucky. His term was shortened through direct intervention by President Truman, and he was paroled in December 1950.

Sixth. Brig. Gen. Wallace H. Graham, the President's personal physician. When people were hungry and starving throughout the world and when the United States Government was buying food to send overseas, General Graham, with White House knowledge and from his White House Office, speculated in food on the commodity exchanges in this country at a handsome profit.

The cloud which these men, now or formerly surrounding the present White House occupant, have cast over the Executive Office of the President could at once be dispelled if President Truman would immediately repudiate and, if now employed, discharge those faithless to their trust. The trouble is that he gives no evidence of a disposition to follow such a forthright course.

It is not encouraging to those who crave good government to hear a carefully documented report by a responsible congressional committee characterized as asinine for no other reason except that it contains extremely damaging criticism of those who accept and profit by the principle of government by crony. One might expect that the Chief Executive would welcome such disclosures in order that he might take immediate remedial action to rid his official family of those who would traffic in favor and influence at public expense. On the contrary, it appears that almost the surest way to guarantee one's continuance in office is for him to get into some trouble for which he is criticized in the press.

Nor is it a conclusive and satisfactory answer to criticism of public officials to contend even successfully that they have done nothing illegal. The people have a right to expect from public servants a higher standard of moral and ethical conduct in the performance of their duties than mere legality. Perhaps not all of the White House favorites and cronies are lawbreakers. Some are. But others have used their influence to obtain for themselves or friends favors or financial awards which are directly attributable to their positions and do not rest on intrinsic merit.

As a result of the President's attitude, the question naturally arises what steps the Congress could take with propriety looking toward corrective measures to restore public respect for the Executive Office of the President.

To that end, I have today introduced a House resolution authorizing and directing the Committee on the Judiciary or a subcommittee thereof to conduct an inquiry, make findings, and make such legislative recommendations as the committee may deem proper with regard to the following matters:

First. What standards of morality or ethics, if any, have been established for the personnel employed in the Executive Office of the President?

Second. If none have been established, what steps can properly be taken by the Congress to insure that action be taken without delay to lay down moral and ethical standards to govern the conduct of White House employees at all levels?

Third. If standards of moral and ethical conduct have been established, what action has been taken to enforce the maintenance of those standards?

Fourth. If no action or insufficient action has been taken in that regard, what can Congress properly do to assist the Chief Executive in restoring morality and ethics to the White House staff?

Fifth. What revision of the statutes of the United States, if any, is necessary to give effect to the findings and recommendations of the committee with relation to the foregoing?

(Mr. KEATING asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

(Mr. RANKIN asked and was given permission to revise and extend his remarks.)

Mr. RANKIN. Mr. Speaker, this bill to fix the acreage of peanuts is dangerous legislation. It is another step in the regimentation of the American farmers by a gang of crackpots in the Department of Agriculture who do not know what they are doing.

We are just now realizing the racketeering that has been going on in the RFC all these years. The American people are shocked. They will be shocked more when they realize that you are turning over to some bureaucrat the power to tell the American farmers whether or not they can raise peanuts in their State, and if so, how much acreage they can grow.

They are getting ready to do the same thing with the cotton farmers. Last year, over my protest, they regimented the cotton farmers and fixed their acreage. That was one of the greatest outrages ever perpetrated against the small farmer. They limited his acreage in some cases to 3½ acres. The men who did that would not, in all probability, know a cotton stalk from a cocklebur or a boll weevil from a bumblebee, but they drove many of our little farmers from their fields, because in some of the sandy-land counties you could hardly make a bale of cotton on 3½ acres. Those little farmers could not raise enough cotton to pay their taxes. They simply regimented the farmers. That is what this program means. This is a communistic program. It will do the farmers of this country more harm than good.

In addition to that, the President comes out with an order, that I dare say he never saw, describing cotton as a "food." As I said the other day, I never realized they were eating cotton around the White House, or in the various departments, until I saw that order.

That order described cotton as a "food." This Secretary of Agriculture from Pike's Peak, Brannan, issued an order limiting the amount of cotton that could be exported, and drove the market down \$100 a bale below what it was selling for in other countries. Today they are still carrying on that regimentation of the cotton farmers. I have the record in my pocket to show that cotton is selling for 71 cents a pound in Brazil and 45 cents a pound in the United States. In other words, they are robbing the cotton farmers of \$130 a bale on every bale of cotton. It is about time the Congress took the hands of these bureaucrats from around the necks of the American farmers. You cannot fix the price of cotton in Brazil. Brazil can raise more cotton than the United States. Brazil is larger, territorially, than the entire United States. They can raise cotton in every portion of Brazil. We cannot do that here. They come along with this crazy program, making a closed shop of growing peanuts and tobacco, and then come along and step on the little cotton farmer and drive him from his field.

Let me again remind you that the white farmers of the South sent the greatest number of their boys to this last war of any people of the same number in the United States. Why? Be-

cause they fixed the quota based on population. They took the white boys to do the fighting and gave the cotton farmers no exemptions.

By the way, we heard a rumor to the effect that Governor Dewey was exempted from the draft as a necessary farmer. An old fellow down at home said it was the first time he ever knew an expert farmer to get his training singing in a synagogue.

But the little farmer is the one who is going to be injured by this kind of legislation. I am opposed to it, and I shall fight it to the last ditch. I am opposed to giving the Department of Agriculture the right to again stamp the little cotton farmer into the dust. It is about time the Congress got back to the Constitution and quit putting this kind of legislation on the statute books that will eventually wreck this Republic if kept up.

Thomas Jefferson warned us against just such a program.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

(Mr. VAN ZANDT asked and was given permission to revise and extend his remarks.)

HIGH COST OF LIVING AND SHORTAGE OF MAN-POWER MAKES FURTHER AMENDMENT OF THE SOCIAL SECURITY ACT IMPERATIVE

Mr. VAN ZANDT. Mr. Speaker, on February 19 I introduced H. R. 2757, a bill designed to amend the Social Security Act by increasing the amount of wages and net earnings from self-employment without suspending the benefit payments under the Social Security Act for retired persons now in receipt of earned benefits.

You will recall that until last year a recipient of earned benefits could not earn in excess of \$14.99 monthly without forfeiting his monthly social-security check. This provision worked a great hardship on many retired persons because it denied them the opportunity to accept employment to supplement their monthly retirement check. The situation became more deplorable because of the marked increase in the cost of living. As a result Congress increased the ceiling on earnings to \$50, and my bill provides to raise it to \$100.

As I pointed out when I introduced the bill increasing the ceiling to \$100, the proposed legislation will not cost the social-security fund a dime but will actually benefit it, because the recipient of earned benefits will be required with his employer to pay the social-security payroll tax into the fund but he will not receive any increase by reason of such contributions in the amount he is now receiving as earned benefits.

Since I introduced the proposed amendment to the Social Security Act, I have been gratified by the large number of letters I have received endorsing the proposal and by the Nation-wide favorable comment in the newspapers of the country. It is evident that the amendment will prove a great builder

of morale among retired persons who are still able to earn up to \$100 monthly by accepting employment. It will also help greatly in the plan to mobilize all available manpower in the interest of building an adequate national defense.

When you stop to consider the fact that foodstuffs and other commodities essential to the needs of everyday life have doubled in price and that the average earned benefit payable to retired persons during the month of January 1951 was \$35 for women and \$45 for men, it is not necessary to dwell at length on the economic factors that compel action to be taken on increasing the ceiling on the amount such persons should be permitted to earn and not forfeit their monthly social-security benefits.

According to the Social Security Administration, I have been advised under date of February 26, 1951, that the number of individuals receiving earned benefits for the month of January 1951 for the different types of benefits under the Federal old-age and survivors insurance program were as follows:

Type of benefit	Number of beneficiaries	Average benefit
Old-age.....	1,850,207	\$43.55
Wife's or husband's.....	532,187	23.45
Child's.....	715,198	27.55
Widow's or widower's.....	319,472	36.51
Mother's.....	173,354	34.11
Parent's.....	14,877	36.67
Total.....	3,605,235	-----

I have been advised that there is not available at this time the breakdown of the average monthly payments as between male and female retired workers. In regard to the average old-age insurance benefit of \$43.55, it is estimated that the average payment is about \$45 for men and \$35 for women.

In addition, it is stated that the average age of retired workers on the benefit rolls is about 72 years. The average for men is approximately 72 $\frac{1}{4}$; for women, 71 $\frac{3}{4}$.

Under the present law, no insurance payments are made for disability.

When you study the above schedule of monthly payments and realize that the Social Security Administration estimates the average monthly benefit for men to be \$45 and for women \$35, you have the strongest argument possible for approval of my proposed amendment to permit the recipients of earned benefits, which they and their employers purchased, to have the opportunity to earn up to \$100 monthly and not be faced with the loss of their monthly social-security check.

Mr. SMITH of Virginia. Mr. Speaker, this rule is for the consideration of the bill H. R. 2615, which is to amend the Agricultural Adjustment Act. It provides for 1 hour of general debate.

The reason for the bill is this, and it is rather simple, after all. It seems that at the time of the last World War it became necessary, in order to obtain the needed supply of peanuts for oil, food, and other reasons, to increase the acreage allotment very drastically. That was done. Then, after the war, when the demand fell off, in accordance with the

program, the allotment was reduced year by year, so that since the last World War the allotment of peanut acreage has been reduced nearly 50 percent. That has brought about a shortage in certain varieties of peanuts which it is very essential at this time should be taken care of. Instead of reducing the allotment, it ought, in respect to certain varieties of peanuts, to be materially increased. This bill gives the Secretary of Agriculture the necessary authority to adjust those allotments upward for that purpose.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. McCORMACK].

PROGRAM FOR MARCH 8

Mr. McCORMACK. Mr. Speaker, I desire to announce for the benefit of the Members of the House that if the Committee on Rules today reports a rule on the bill H. R. 1545, relating to the temporary reorganization powers, a bill coming from the Committee on Expenditures in the Executive Departments, it will come up tomorrow.

EASTER RECESS

Mr. McCORMACK. I also want to let the Members of the House know as far in advance as possible for their guidance, not only guidance but knowledge, that the leadership of the House have agreed on a recess for the House from March 22 to April 2.

PEANUT ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2615, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule general debate will continue for 1 hour, to be equally divided between the gentleman from North Carolina [Mr. COOLEY] and the gentleman from Kansas [Mr. HOPKINS].

The gentleman from North Carolina is recognized.

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the gentleman from Mississippi [Mr. RANKIN] apparently does not understand that the very purpose of this bill is to liberalize peanut-acreage allotments. As pointed out by the gentleman from Virginia [Mr. SMITH], there has developed a shortage of edible-type peanuts generally known

as the "ball-park peanut" which is grown in the North Carolina and Virginia area. The shortage of this particular type was so acute about a year ago that we were threatened with the possibility of lifting the embargo on that particular type of peanut and importing edible peanuts from Red China.

I am certain that Members of this House will realize that up until now peanuts have just been regarded as peanuts, and this adjustment program has been applicable to peanuts grown in all areas; it has been applicable to peanuts of all types. So under the present situation, Mr. Chairman, unless the law is amended as here proposed, the proclamation and order issued by the Secretary of Agriculture further reducing the acreage of peanuts will be applicable to peanuts of all types grown in all areas, which actually means that in the North Carolina-Virginia area where the jumbo peanut is grown, producers will be required to take a further reduction of 16 percent. This actually means, of course, that we will be further curtailing the production of a commodity which is in short supply. That is one of the situations that prompted the introduction of this legislation.

This bill proposes to give to the Secretary of Agriculture the authority to liberalize acreage allotments to farmers in areas where the particular type of peanut is in short supply, regardless of whether it is the jumbo, the Spanish, the Valencia, or the runner type, the whole idea being that under the program production will keep pace with reasonable consumer demand and will not result in a scarcity of a vital agricultural commodity.

Another objective sought to be accomplished by this bill is to correct what is now known to be an inequity which resulted in 1949 in the States of Texas and Alabama and perhaps to some degree in certain of the other States. When this inequity was discovered we passed a bill in the last session of Congress which corrected it for 1 year and for 1 year only. Now, we have before us a bill the second purpose of which is to correct that inequity certainly in some degree so as to alleviate its effect in the States which I have just mentioned.

I would like to say, Mr. Chairman, that this bill has been very carefully and diligently considered by members of the House Committee on Agriculture. Members of that committee represent all of the peanut-growing areas of the country. I think we are in unanimous accord in bringing this bill before the House at this time.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. HESELTON. I understood the gentleman to say that peanuts were in short supply.

Mr. COOLEY. No; the gentleman did not understand me correctly. I said peanuts of a particular type are in short supply.

Mr. HESELTON. I wondered about that. According to the report of the Commodity Credit Corporation, the lat-

est information I have been able to get is through the month of December of last year, this was beginning with June and through December. The corporation report showed they purchased 110,803,320 pounds of peanuts. They do not classify them, of course, as to type, they sold exactly that number of pounds. It also shows that the Corporation incurred a net loss for the 6 months' period of \$6,124,025.92. I would like to have the gentleman enlarge for the RECORD what types of peanuts are in short supply or are anticipated to be in short supply, what general types are clear surplus and have been bought and sold at a substantial loss to the taxpayers of the United States and whether or not this bill will endeavor to prevent this creation of additional surpluses in the types which are in surplus.

Mr. COOLEY. I am very glad that the gentleman asked that question and I shall be glad to answer it.

During the war as suggested by the gentleman from Virginia [Mr. SMITH] in presenting the rule, we called upon the peanut farmers of the Nation to substantially increase their acreage in peanuts because there was a desperate shortage. So acreage was stepped up to 3,311,000 acres, almost double the acreage which had formerly been planted. That was the peanut farmers' contribution toward winning the war. After the war was over we realized that we were producing too many peanuts and we started out on a program of reducing acreage. Now, if the gentleman will notice in the report, the acreage has come down from 3,311,000 to 1,711,117, a reduction in the last 3 years of 46.5 percent. That is the reduction which the peanut farmer has taken in this transition period from war to peace.

Some complaint has been made about the support program. The support program for peanuts was used for exactly the same purpose that it was used with regard to the production of other vital agricultural commodities. It was used for the purpose of inducing the farmer to produce a vital commodity, and the farmers did just what they were urged to do. In this program we have incurred substantial losses, but on the particular type which is now in short supply, losses, if any, have been negligible or inconsequential.

Losses have been incurred on the Spanish type and on the runner type, and the Government has purchased peanuts across the board. Some of them have gone into the edible trade; some have been crushed into oil, and the Government has sustained a loss. We have tried to minimize those losses as much as possible. This bill, frankly speaking, will increase the acreage in the southeastern part of the country by some few thousand acres, but it is being proposed in the name of equity and fair play to all of the farmers in that area, and when you look at the increase here authorized, it becomes negligible when you relate it to the 1,711,000 acres which will be grown.

Mr. HESELTON. Mr. Chairman, if the gentleman will yield further, I have here a letter dated February 8 from

Mr. Hutchinson, Assistant Secretary of the Department, in which he says, in part:

In early 1949, as a result of expanding production of fats and oils obtainable from other commodities, the United States supply reached the point of surplus and prices for vegetable oils declined sharply, resulting in substantial losses to CCC for the surplus peanuts which were crushed.

I think in 1950 the losses ran in the order of 37 or 38 million dollars. It was running in December of this year over \$6,000,000, and I assume it is still running at a higher rate. My question was directed to the point whether, assuming that this is a just and equitable bill so far as the farmers in Virginia and North Carolina are concerned, in relation to the over-all program, is there anything in this bill which proposes to eliminate or reduce the accumulation of surpluses on other types of peanuts which are in surplus and are causing substantial losses to the taxpayers of this country.

Mr. COOLEY. I might say that the Secretary of Agriculture joins in the doing of that which the gentleman proposes, and he has reduced the acreage from 3,311,000 to 1,711,000, so by eliminating that acreage which might otherwise have been planted to peanuts, he is minimizing the possibility of losses.

Mr. HESELTON. Does the gentleman feel what the Secretary has done or will do in the future will eliminate this factor of losses?

Mr. COOLEY. Yes; and I think even with the peanuts that will be grown, when you think about the situation we are facing in the world, this acreage in peanuts might yet prove to be a blessing to all of us. I think the Secretary has acted in good faith, but it seems to me most unreasonable to assume that the peanut farmers should reduce their acreage more than 50 percent in such a very short period of time.

Mr. HESELTON. May I ask one final question of the gentleman?

Mr. COOLEY. Yes.

Mr. HESELTON. I am not familiar with the over-all and detailed uses of peanuts other than as a food commodity. I realize that they are crushed into some type of oil. From Mr. Hutchins' letter, it is apparent that at least in 1949 we were getting that type of oil from other commodities. What I should like to know is, does the production of peanuts and placing them into the form of oil have anything whatever to do directly with the defense effort? Are they used in any way, shape, form, or manner in terms of materials that we are trying to buy at very heavy cost to the taxpayers of this country for defense?

Mr. COOLEY. Does the gentleman mean other than for food needs?

Mr. HESELTON. Yes.

Mr. COOLEY. Frankly, I do not know whether they are used for any other national defense purpose or not, but it is a vital food that is consumed in great quantities by the Armed Forces and by the civilian population. Whether they use them in the form of oil in the machinery of war, I frankly do not know.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. JAVITS. May I ask the gentleman whether any improvements have been made in the raising of peanuts similar to what we found in connection with potatoes, that the parity standard was made applicable to a situation which did not warrant it because a very greatly increased yield came from each acre?

Mr. COOLEY. I do not believe there has been any substantial per-unit increase in yield. The increase came about as a result of an increased acreage.

Mr. JAVITS. I mean in the intervening years since the war during which this acreage was cut down; did the committee get any evidence on that?

Mr. COOLEY. I do not think there has been any substantial change in the per-unit production, except such change as might have come about as the result of better farming methods.

Mr. JAVITS. This is one of the basic commodities, a 90 percent of parity commodity. Is it not a fact that there is a very sharp restriction on the price at which the Commodity Credit Corporation may sell these peanuts? There is a provision in the law that states the Commodity Credit Corporation cannot sell these peanuts at anything it wants to. The gentleman knows that much better than I do, I am sure.

Mr. COOLEY. That is in connection with the edible trade, but when they crush them into oil the nature of the commodity is entirely changed.

Mr. JAVITS. Has the committee given any thought to letting the Commodity Credit Corporation unload its surplus for whatever it can get for it, rather than holding it under the law which says it cannot sell it at less than it paid plus 5 percent, I believe?

Mr. COOLEY. I think the gentleman probably does not understand that the Commodity Credit Corporation does not hold in storage any substantial quantity of edible peanuts.

Mr. JAVITS. But it does have obligations with respect to a very large quantity of peanuts, as the gentleman from Massachusetts pointed out.

Mr. COOLEY. That is true.

Mr. JAVITS. Has the committee given any thought to enabling the Commodity Credit Corporation, in view of the fact that acreage is going to be increased, to get itself out of this position by letting the peanuts with which the Commodity Credit Corporations is concerned be sold for less?

Mr. COOLEY. The gentleman can clearly see that if the Commodity Credit Corporation were authorized to sell below a certain price that would result in substantially higher losses.

Mr. JAVITS. But it would take up this surplus in peanuts and keep the Government from continuing to be obligated.

Mr. COOLEY. No, there is no slack.

Mr. JAVITS. I mean, there is a deficiency in supply, which is what the gentleman is basing his bill on.

Mr. COOLEY. That is with regard to one particular type of peanut.

Mr. JAVITS. So that the basis for the bill is that you are trying to increase the output of a different type of peanuts altogether?

Mr. COOLEY. This will help the candy manufacturers and the consumers. They want more peanuts. Peanuts of the Virginia type are actually being priced out of the market on account of the situation.

Mr. JAVITS. Has the gentleman done any studying as to whether the 90 percent of parity support standard is justified or whether that standard ought to be reduced? Perhaps the producers are making more money than they legitimately ought to under these circumstances. Has the committee done anything about that, or is it taking the 90 percent of parity for granted?

Mr. COOLEY. The 90 percent of parity concept written into the law was considered to be a fair provision when it was written many, many years ago.

Mr. JAVITS. Lots of things that were written many years ago eventually could become unfair, I think the gentleman will agree.

Mr. COOLEY. I think if the gentleman will look in the RECORD you will agree that 90 percent of a fair price certainly is not an unfair price.

Mr. JAVITS. I might tell the gentleman that I have looked at the parity record and in my opinion the Government of the United States is paying up to \$2,000,000,000 more a year than it ought to in this whole parity-price picture. So far as the city consumer is concerned, he is being pushed to the point where he may have to be opposed to the whole parity program if he wants to save his skin in connection with the cost of living. I think that is a sad extreme to which the representatives of the city consumers are being pushed by the present inflexibility in the farm price-support program.

Mr. COOLEY. It is strange to hear the gentleman say that. I do not recall ever having heard even a man from a metropolitan area stand on the floor and criticize the farm program. It was conceived and put into operation, not on the basis of selfishness on the part of farmers, but it was put into operation to assure this Nation and the consumers of this Nation of a reasonable supply of the things that are needed and which are produced by the farmers.

But for the program I am satisfied in my own heart and mind that our farmers now would be buried beneath a great surplus which this Nation could not possibly consume. When you destroy their purchasing power—when you destroy the purchasing power of the farmers as happened many years ago, not because of scarcity but because of an abundance, then you destroy industry and our whole economy.

Mr. JAVITS. I think the gentleman must give me credit for knowing the fact that the farmer's purchasing power is a very essential element in our national economy.

Mr. COOLEY. I am sure the gentleman knows that.

Mr. JAVITS. I have never opposed a price-support program for the farmer, especially for the family-sized farm, but I do oppose complete inflexibility in any farm price program, and this bill has a tendency to contribute further to that inflexibility and that is why I ask these questions. It has a tendency to contribute further to that inflexibility and on a broader scale than before with the added acreage authorized.

Mr. COOLEY. You say complete lack of flexibility?

Mr. JAVITS. I do.

Mr. COOLEY. These farmers, as the gentleman from Mississippi [Mr. RANKIN] pointed out a moment ago, by a vote of more than two-thirds of all of them, have placed their destiny in the hands of the Secretary of Agriculture and they do what he tells them to do and they do it graciously and willingly, and the program is just about as flexible as anything on earth can be.

Mr. JAVITS. I had the statement of the Secretary of Agriculture in a debate on television with him and which quoted him as saying that the Department of Agriculture, and these are his words, "was created to take care of the interests of the farmer."

Mr. COOLEY. I can tell the gentleman that this legislation does not come to the floor of the House with bipartisan support in the interest of agriculture alone. Every bill that goes to make up this great farm program, at least almost every bill, has come here with the support of members of the gentleman's own party.

Mr. JAVITS. I think it is tragic that city representatives have not been awakened to the situation, but I assure you their constituents are beginning to awaken them now.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KEATING. The gentleman has pointed out that this bill envisions slight increases, not a large increase, in the acreage allotment, and with commendable frankness has pointed out it probably would involve some cost to the Government. Does the gentleman have any estimated figures on that?

Mr. COOLEY. No, I frankly do not know, because none of us have any information as to what consumer demands might be before this crop comes to harvest.

Mr. KEATING. I note in the letter to the gentleman from the Acting Secretary of Agriculture, dated February 19, he points out that he does not know whether this is in accord with the peanut program of the President or not.

Mr. COOLEY. I do not know whether the President has a peanut program, I will say.

Mr. KEATING. I wonder if since that time the gentleman has had any information on that subject?

Mr. COOLEY. No, I am sorry, I do not have any.

Mr. HOPE. Mr. Chairman, I have no demands for time on this side. I shall take just a few moments to discuss the provisions of the bill. I think they have

already been pretty thoroughly explained. The situation we have here is one which grew out of the price-support program during the war under which it was to the interest of the country to expand the production of the oil-type peanuts. Under the so-called Steagall amendment a program was inaugurated which put a very high support price on peanuts and which was designed to increase the production of the oil-type peanuts. With the end of the war when the demand for fats and oils dropped, there was no longer any need for this large production of oil-type peanuts and consequently the program which has been in effect since that time has brought about a large reduction in the acreage of peanuts.

In order to maintain a sound price-support program at all it has been necessary to greatly reduce the acreage. This reduction has been something over 46 percent during the past 3 years.

The problem that confronted the committee and the problem that confronts the Congress in continuing this program is to work out a formula which will result in the production of the type of peanuts which is in demand. If we continue in effect the formula that is in the present law, and try to produce a sufficient quantity of edible-type peanuts to meet the market demand, it will be necessary to increase the acreage allotments for the oil-type of peanuts to a point which would result in the production of an excess of that type. On the other hand, if we make the allotments on the basis of the need for the oil-type peanuts, it will cut down the supply of edible peanuts to a point below the needs of the country.

The main purpose of this legislation is an adjustment of the formula whereby the allotments can be made on a realistic basis, so that they will be increased as far as the edible-type peanuts are concerned and not increased on the oil-type peanuts.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. DAVIS of Wisconsin. If I read the report of the Secretary of Agriculture to the committee correctly, he stated that there was to be an over-all increase in peanut-acreage allotments. The thing that concerns me about this legislation is that in order to meet a situation which applies to a certain type of peanuts in a rather restricted area, allotments for all types of peanuts, country-wide, is being increased. Is that true; and, if so, what justification is there for it?

Mr. HOPE. No. The increase in the allotment is practically all in the States which produce the edible-type peanuts—Virginia, North Carolina, and a small increase in South Carolina. Outside of that, it is negligible.

Mr. DAVIS of Wisconsin. One more brief question. As a matter of fact, in this legislation it is contemplated that there be no decrease whatsoever in existing allotments, but, quite to the contrary, there are to be increases in the existing allotments.

Mr. HOPE. The increase in existing allotments are on types of peanuts which are in demand and where the supply would be short were it not for this legislation. If the gentleman will refer to the report of the committee on page 8 he will see where the increases in allotments take place under this legislation. He will note that there is an increase of 66,665 acres, of which 64,317 acres are in the States of Virginia, North Carolina, and Tennessee; and 1,766 in the State of South Carolina. He will note also there is an increase of 582 acres in the State of New Mexico. Those are the places where the increases will take place. I am not familiar enough with peanut production in New Mexico to know whether that is for the edible type or not, but in the other States the type produced is the edible type.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. RANKIN. Unfortunately, this program was started during the war, under the guise of a war measure. The war has been over for 5 years, and yet we are carrying on this regimentation of the American farmer, making a closed shop of peanut growing. Now, let me warn the gentleman from Kansas that they are doing the same thing with reference to tobacco growing.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BONNER. The gentleman from Mississippi would not want to leave his statement without a slight correction, I am sure; the program was started before the war.

Mr. RANKIN. It may have been.

Mr. BONNER. Controls were lifted during the war; that is what caused the suspension.

Mr. RANKIN. However that may be, the program is with us now, and it is a program of regimentation of the American farmer.

Let me tell the gentleman from Kansas that last year they started regimenting the American cotton farmer, somewhat as Stalin regiments the farmers in Soviet Russia—not by taking the land away from them, but by telling them what they can raise on the land and what price they can get for it.

Let the gentleman from Kansas beware of this communistic trend, because the next thing he knows they will be telling him how much wheat they can grow in Kansas, how many cows they can milk in Wisconsin; they will tell the people how many potatoes they may grow in Maine or in Idaho. They will soon be telling you how many chickens you can raise or how many eggs you can sell. This is the most insidious program of regimentation that was ever imposed on the American farmer, and the quicker we stop it and get out from under it, the better it will be for the farmers of the Nation.

Every farmer who has a bale of cotton on hand now, or who raises one this year, will lose \$130 a bale on it under the present regulation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COOLEY. I wish to ask the gentleman from Mississippi this question: Does the gentleman realize that even if we were to defeat this bill the program would still go on? What we are trying to do is to liberalize the program.

Mr. RANKIN. The thing for the gentleman to do is to bring in a bill here that would stop this regimentation. You are not going to succeed in the regimentation of the American farmer. I have never seen the farmers abused as they have been in the last 2 or 3 years and as the cotton farmers are being abused now.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COOLEY. Has the gentleman from Mississippi ever seen the farmers of the country more prosperous than they are at this time?

Mr. RANKIN. Mr. Chairman, that sound like the man from Pike's Peak—the man who does not know how the farmer is suffering today.

Last year the little farmers in some sections had their cotton acreage limited to 3½ acres; they could not raise enough to pay their taxes, and today they are being robbed of \$130 on every bale.

What is the gentleman doing on the Committee on Agriculture if he is going to let this kind of thing go on? Oh, no; he had better wake up. This is an agricultural country and the Committee on Agriculture had better wake up and begin to look out for the American farmers instead of trying to regiment them into a system that means slavery for them.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for one more question?

Mr. HOPE. I yield.

Mr. COOLEY. Just what does the gentleman from Mississippi think that American cotton should be bringing on the market now?

Mr. RANKIN. It should be bringing as much as it is bringing in Brazil, 71 cents a pound, but instead of that you have fixed it at 45 cents.

Mr. COOLEY. I did not fix it.

Mr. RANKIN. Oh, no. All the gentleman does is to paddle along with the crowd, this man from Pikes Peak, Mr. Brannan, or DiSalle. I do not know where he is from.

Mr. CRAWFORD. Toledo.

Mr. RANKIN. Toledo, Ohio. They are regimenting the cotton farmers of this country, and they will be regimenting every other farmer unless we stop this crazy program. I am for stopping it now.

Mr. HOPE. Of course, the gentleman from Mississippi is talking about two different things. He is talking about price ceilings on cotton, which, of course, are not imposed by any legislation reported by the Committee on Agriculture. They are imposed by legislation which the Congress passed by a very large majority last August. Now, replying to what the gentleman has said about this program, the price-support program has been in effect since 1938.

Under its provisions we are supporting the price of certain commodities. Under the provisions of that program we are of necessity regulating the production of those commodities or at least the production of that quantity which may be supported under the price-support program. If we do not do that the Federal Treasury will probably have to be bottomless because unless we put some limit upon the amount of the product which will be supported, there is just no end to the cost of such a program. Now we have our choice. If we want a price-support program it is going to have to have some controls in it and if we want to get away from controls we will have to get away from a price-support program.

But that is not the question involved here today. That question is whether we are going to change the formula that is in effect with respect to the price-support program on peanuts. What this bill does is to liberalize the formula rather than tighten it up. It goes in the direction that the gentleman from Mississippi would like to have it go, but it does not go as far as he would like to have it go.

Mr. RANKIN. I may say to the gentleman from Kansas that what the committee should do is to bring in a bill to stop this regimentation of the American farmers, and let them go ahead and run their own affairs. They will be happier, they will be more prosperous, and better satisfied.

Mr. HOPE. That is not the question before the committee today. I am sure the committee will hear the gentleman if he desires to introduce such a bill and come before the committee and present it.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I doubt very much whether there are many Members of this House who have had a chance to know what this legislation is all about, but, as I understand the legislation, it is intended to extend the peanut acreage of this country.

Mr. HOPE. It will expand the acreage.

Mr. REES of Kansas. It will produce more peanuts?

Mr. HOPE. It will result in an increase in the acreage of a certain type of peanuts of which we are short at the present time.

Mr. REES of Kansas. Do we have that type of peanut on hand already in the Commodity Credit Corporation, paid for by the Government?

Mr. HOPE. I do not think so. No supply of peanuts is on hand because under the peanut price-support program the Commodity Credit Corporation does not acquire and store peanuts. It purchases peanuts, then it sells them back on the market, because peanuts are not a storable commodity. So there is never any particular time when a great quantity of peanuts are on hand as far as the Commodity Credit Corporation is concerned. There may have been some of this type of peanuts pass through the Commodity Credit Corporation in their operations, I cannot say, but the amount

would be very small because there is a market for all of the edible type peanuts. The consumers of peanuts have been complaining about the fact we are restricting the production of the type of peanut which is in demand; in other words, setting up a monopoly in the hands of the producer of that type of peanut. This bill is designed to change that situation and to provide that the restriction shall be lifted up to a certain point on the production of those peanuts.

Mr. REES of Kansas. How much has the Government already spent on this peanut program?

Mr. HOPE. I am sorry, I cannot give that information. I can look it up.

Mr. REES of Kansas. It amounts to a good many million dollars; does it not?

Mr. HOPE. It is a considerable sum but I do not have the amount at this time.

Mr. McCARTHY. Mr. Chairman, if the gentleman will yield, I think maybe I can answer that question.

Mr. HOPE. I will be glad to yield.

Mr. McCARTHY. As you know, I represent a city district, and I am on the Committee on Agriculture, and for that reason, in the consideration of this bill, I have attempted to understand it from the point of view of the consumer. The record will show, I think, that in the last 2 years the cost of the support price on peanuts was approximately \$40,000,000 in 1949 and about \$20,000,000 in 1950.

Mr. REES of Kansas. In other words, the Government has already spent \$60,000,000.

Mr. McCARTHY. But the important thing to note is that the support was for a type of peanut which will not be increased as a result of this legislation. The purpose of the increase in acreage is to increase the supply of the so-called edible peanut of which, at the present time, there is a wide variety and difference in grade and which, at the present time, is selling above parity. If production is increased as a result of this act, and under the terms of the act, it is supposed to be increased to a point where edible peanuts will sell at not more than the support price plus 5 percent, so the effect should be to decrease the cost of edible peanuts to the consumer. There are certain elements of risk however, in the legislation in that the record shows that the production per acre of peanuts has increased very greatly in the last 2 to 3 years. In 1947 the average production was 646 pounds per acre; in 1949 it was over 800 pounds per acre. There is a certain element of danger; that is, it may be somewhat expensive if you have a good crop year and if a new variety of peanuts should be produced. But, it will not produce the peanut fiasco we had in 1949.

Mr. REES of Kansas. So we can look forward to a greater expense by the Government then to support this program?

Mr. McCARTHY. There is no certainty that this will happen, and there is the possibility that the price of edible peanuts will be decreased as a result of this legislation. I do want to make this point, however, that as to this legislation or this particular bill, this is not the time

to do it, but I do feel that peanuts should not be considered a basic commodity in the American agricultural economy. The total value of the crop is only about \$200,000,000 per year, and in the last 2 years it has cost \$60,000,000 to support that particular crop.

Mr. REES of Kansas. That is just the point.

Mr. McCARTHY. The point is, however, that this legislation is good, apart from the other proposition.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Since I began to speak I have had some requests for time, and I would like to take care of them. For that reason I think I must decline to yield any further except to the gentleman from Kansas, to whom I have already yielded. I will be glad to attempt to answer his further inquiries. But I do not feel like yielding any more time now, because I have promised time to others.

Mr. REES of Kansas. The thing I would like to direct the gentleman's attention to is this: Here is a program limited to a comparatively small acreage; it is very small compared to other commodities we are supporting, and yet we are spending \$40,000,000 a year for a price-support program on a commodity which amounts to about \$200,000,000 a year. It seems to me it is a thing that this Congress ought to give some consideration to. The complaints that come to me from the people who consume this product say that the price is too high, and I think that the gentleman who has the floor has had similar complaints from individuals who say that this product costs too much for the average consumer.

Mr. HOPE. But this legislation will go part way in meeting the problem.

Mr. REES of Kansas. But when you are spending 25 percent of the cost of the product, it is costing pretty much.

Mr. HOPE. This goes part way in meeting the gentleman's objection in that it should reduce the price to the consumer of the edible type of peanut.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I have refused to yield to others, but I will yield to the gentleman for a brief question.

Mr. HARDY. I think there is a lot of misinformation about this. Has any information been submitted by the Department or elsewhere that would indicate that this legislation would in any manner increase the cost of the support program?

Mr. HOPE. No; I have no information to that effect. It will expand the production of a type of peanut which is not in surplus production at this time.

Mr. HARDY. Is it not true that it is anticipated that the demand for this type of peanut will take the entire additional production without any cost to the Government?

Mr. HOPE. Yes. That is the basis on which this additional acreage is being allotted. I would not want to say that we might not have an extremely large crop produced on that acreage, and that there might not be some obligation on

the part of the Government later to make some expenditures, but based upon a normal crop there should not be any increase in the amount which the program would cost the Government.

Mr. HARDY. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I think there is a great deal of misunderstanding about the peanut program as well as about what we are trying to do this morning. I call attention to the fact that before we attempted to restrict the acreage of peanuts we grew in excess of 3,000,000 acres of peanuts a year, that we have reduced the production approximately 50 percent, and that this bill, if it becomes law, will allow the production to be a maximum of only 1,916,000 acres as against 2,200,194 acres last year.

In other words, even though this bill becomes law and even though the Secretary of Agriculture uses his powers to the utmost, we would be able to grow not more than 85 percent of the acreage over the United States that we grew last year. It is true that if the bill becomes law it would mean that certain States, particularly Virginia and North Carolina, would probably be able to grow approximately what they did grow.

The reason for that has already been clearly explained. In these States they grow a type of peanut which is in short supply. There are none of these ball-park peanuts in the hands of the Commodity Credit Corporation. Somebody asked the question, does the Commodity Credit Corporation have any of these peanuts? It has absolutely none of the large or jumbo type. We were told in the committee that on some days of the week you could not buy them in the open market. I should like to make it clear that none of these Virginia-type peanuts are held by the Commodity Credit Corporation, and there are very few in the market. The market is very high on that type of peanut, far above parity, far above the support price. We are hopeful that if we can grow all the market wants the price to the public will be brought down in the coming year. At the same time, remember that the total acreage of all types of peanuts under this bill will be at least 15 percent less than the total acreage of all peanuts last year.

The gentleman from Massachusetts shakes his head as if he does not agree. I refer him to the figures that are on page 8 of the report, which are the figures of the Department and not our figures. They show a maximum that can be grown under this bill of 1,916,000 acres. And remember that under this bill the Secretary does not have to allow that much. If he thinks there is not reasonable ground to suppose that the market will require an increase in the States that grow the Virginia type peanut, he does not have to give any increase whatever, but this does allow him to provide for an increase in those States where he thinks we need an increase to meet the market demands.

If we were to allow this program to continue under the present law, we would

probably find ourselves faced again with a shortage of a particular type of peanut. Certainly if this happened we would find a proper demand on the part of the American people to abandon the whole peanut program. They would say, "Break down the whole thing, because you haven't taken care of the needs of the American people." They would probably not stop with peanuts. The whole farm program would be in danger.

The American peanut grower does not want to grow more peanuts than the market will consume, but neither does he want to grow less than the market demands, and he should have the opportunity to grow the type the public wants. At the same time the farmers of every State should be accorded equal treatment. This bill gives this opportunity.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. GRANT].

(Mr. GRANT asked and was given permission to revise and extend his remarks.)

Mr. GRANT. Mr. Chairman, H. R. 2615 amends the Agricultural Adjustment Act of 1938, as amended, relating to peanut-acreage allotments. Allotment is made to the States on the basis of the average acreage of peanuts harvested for nuts in each State during the 5-year period 1945-49, but specifies that no State shall receive an allotment less than would be determined if the national allotment were apportioned among States on the basis of final 1950 State allotments.

In August 1949, when the cotton bill was up for consideration, a provision was added pertaining to peanuts to provide that the allotment for each State would be not less than the larger of, first, the 1941 State allotment; or, second, 60 percent of the acreage of peanuts harvested for nuts in the State in 1948. After the 1950 allotments were determined and announced, it was found that Texas and Alabama and several other States in a lesser degree were required to take reductions out of proportion to the reductions taken by some of the other States. The House Committee on Agriculture took action to correct the situation by providing that the allotment for any State would not be reduced by a percentage larger than the percentage by which the 1950 national acreage allotment was below the 1949 national acreage allotment.

However, some Members thought that it would be better to have a look at the whole situation before making this amendment permanent and therefore, the committee in order to get prompt action decided to pass only emergency legislation for 1 year, that is, for 1950, with the understanding that the committee would reexamine the entire allotment-apportionment system.

So, in the second session of the Eighty-first Congress further study was given to the matter and the committee recommended and the House passed H. R. 9109. The Senate did not act on this measure and it did not become law.

As a result of the failure to enact H. R. 9101 all peanut-producing States

have received their 1951 allotments upon the basis of the original allotments received by such States in 1950.

In 1949 marketing quotas were made effective for the first time since 1942. The 1949 national acreage allotment called for a reduction in acreage from 3,311,000 to 2,628,970 acres, a reduction of 20.6 percent. In 1950 again reduced from 2,628,970 to 2,200,194 acres, another reduction of 16.3 percent. In 1951 the national acreage allotment was again reduced from 2,200,194 acres—in 1950—to 1,771,117 acres, a reduction of 19.5 percent.

In other words—a reduction—in 3 years from 3,311,000 to 1,711,117 or 46.5 percent.

What other farm commodity has been so reduced in acreage allotments? The peanut growers have made an honest effort to cooperate with their Government. The peanut growers have been cut, cut, cut.

I could tell you of many cases where small farmers cannot secure enough acreage to keep going. They are due consideration. It is not a matter of charity, but one of justice and fair play between the peanut-producing States.

This bill will not solve all the trouble, but it is a step in the right direction and will be of some little help to those who have been so drastically cut, all out of proportion to growers in some other States.

Much valuable time has been lost. The 1951 allotments are out. Let us pass this bill and get it on to the Senate with the hope that that body will take prompt action.

If this legislation is not enacted, this Congress will perpetuate and continue all of the inequities which have been found to exist in the original 1950 allotments.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma (Mr. ALBERT).

Mr. ALBERT. Mr. Chairman, I think the essential features of this bill have been fully described. It does just two things. In the first place it authorizes the Secretary, upon a finding that any particular type of peanut is in short supply, to make certain adjustments in allotments for that type. The second thing this bill does is to rectify a situation which grew out of the cotton quota act of 1949 under which certain States were required to take disproportionate cuts in acreage allotments. The bill does not affect my own State in that particular. The type provision may affect it at some future time if the Spanish type gets in short supply. The bill is a fair bill worked out by representatives from all the peanut-growing States. This bill will not result in increasing peanut acreage up to the 1950 allotment. We are certain to have a shorter crop than we had last year. Already many people in the peanut industry, the end users, are beginning to wonder whether the defense requirements for peanut oil and other byproducts will be met in view of the cuts in acreage that have already been imposed and which will still be imposed should this proposal become law.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. REES of Kansas. In view of the gentleman's statement the thing we ought to do is just not to have any acreage allotment at all, and turn the whole thing loose, if we are in short supply.

Mr. ALBERT. I say there is a fear among some that we may have a shortage. Last year we had allotments on cotton and as a result we have a shortage in cotton at the present time.

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, I am sorry the gentleman from Texas [Mr. POAGE] was not able to yield to me, because I wanted to ask him a question. I agree with him wholeheartedly that there is confusion in this proposal. However, I do not think the confusion is attributable to those who are uncertain as to the wisdom of passing this particular bill. I wanted to ask him about the increase in yield. The Department itself advised me that the national average yield increased from 804 pounds per acre in 1949, as compared with 651 pounds in the previous year, and that in 1950 it would go up to 881 pounds per acre, which it said was "by far the highest national average yield in history." So the whole story was not told. The question is not increased or decreased acreage. It is what will be the production? And, further, will that create surpluses?

I am not here to dispute the fairness of the chairman of the committee or the members of the committee in attempting to correct some inequity that may exist. What I am concerned about is that we are doing exactly what many have said we are doing, we are continuing a piecemeal approach to this problem when it needs a general overhauling. It is said that the people are not disturbed about it. I represent a combined farming and industrial district, and I know the people are disturbed about it. I am concerned that by taking this sort of piecemeal, half-considered proposition time after time, you are jeopardizing an over-all and vitally necessary agricultural program.

Only this month, on March 1, the Northeast Farm Federation issued its Monthly Economic Letter. It contains food for thought now, not 2 months or 2 years from now. Under the title "Unanimity," there is the following significant statement:

UNANIMITY

The New York State Farm Bureau Federation has wisely and courageously called for an end of Federal hand-outs to farmers, even of such things as lime, fertilizer, and so forth. These aid programs were put into effect when farming was in a severe depression. Now, however, the farmers of New York State feel that their enterprise can and should stand on its own feet. They believe that it is time to balance the national budget and gird the national economy for whatever may come. They believe that all

groups should now put country ahead of self-interest, and they are prepared to back up this sentiment by example.

Moreover, the farmers of this State, by and large, are firmly opposed to the controls which are the inevitable price of subsidies. The State Grange, the Dairymen's League, and the other large organizations have condemned subsidies and the Government controls that go with them.

The State conference board of farm organizations, representing eight major State-wide organizations, has time and again expressed its firm stand against socialistic schemes and for free institutions, including free markets, free enterprise, and those basic individual freedoms which have made American farms and American life the best and most fruitful on this earth.

Never have the farmers and their leaders been more solidly aligned shoulder to shoulder, on the major economic and social issues of the time, than they are today in New York State.

As we interpret this united voice, it stands for the very fundamentals that our forefathers stood for and fought for when they built this Nation. It is, in one word, the voice of freedom. It is the voice of patriotism.

We think that the community at large will not underestimate the position of a united agriculture. Not merely because it represents the stand of that important group who grow our food, but because, now as in times gone by, it is the resolute core of resistance to socialism, despotism, and all other isms that menace the American way of life.

In the last session I filed a bill I hoped might serve as a useful basis upon which to attack and solve this problem. I was disappointed that no hearings were scheduled. I have refiled it. It is H. R. 192. I am sorry that the agricultural program was thrown into partisan politics. I am convinced it can be solved but only outside and divorced from such politics. A sound solution is vitally necessary, and particularly imperative at this time. But I repeat it will not come through piecemeal bits like the one proposed in this bill, which only complicates and worsens the situation. I want to include the text of H. R. 192 at this point and to urge its consideration. It is as follows:

A bill for the establishment of a commission to study the agriculture situation and to recommend adequate farm legislation

Be it enacted, etc., That (a) there is hereby established a bipartisan commission to be composed of 12 members appointed as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

(2) Four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) Any vacancy in the commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

SEC. 2. The commission shall elect a chairman and a vice chairman from among its members.

SEC. 3. Seven members of the commission shall constitute a quorum.

SEC. 4. (a) Members of Congress who are members of the commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the commission.

(b) The members of the commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the commission, plus such additional compensation, if any (notwithstanding section 6 of the act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the commission.

(c) The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

SEC. 5. The commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1949, as amended.

SEC. 6. (a) The commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government engaged in agricultural or related activities, to determine what changes therein are necessary to prevent serious subnormal agricultural income without placing an undue burden on the consumers and taxpayers of the country.

(b) Within 30 days after the Eighty-second Congress is convened and organized, the commission shall make a report of its findings and recommendations to the Congress.

SEC. 7. (a) The commission, or any member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the commission or such member may deem advisable. Any member of the commission may administer oaths or affirmations to witnesses appearing before the commission or before such member.

(b) The commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the commission, upon request made by the chairman or vice chairman.

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

I ask the chairman, and I do it with the highest regard for him, if he will tell us whether next month we are going to have a cotton acreage increase bill in here, and the following month another acreage increase bill on some other commodity, and no attempt, as far as he can tell us now, is going to be made to solve this over-all problem of farm surpluses, that are running out of the ears of the CCC and costing the taxpayers millions

of dollars monthly, plus the fact that nobody is getting any good out of the food that is being hoarded.

Are we not going to be confronted with another bill of this kind on another commodity in a few days or weeks?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. COOLEY. The gentleman used the average figure for 1947, 646 pounds per acre. That is far below the 10-year average.

Mr. HESELTON. I said in 1948 it was 651 pounds; in 1949, 804 pounds, and in 1950 it would go up to 881 pounds.

Mr. COOLEY. The 10-year average was 687 pounds.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. HESELTON] has expired.

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, if I understood the gentleman from Texas [Mr. POAGE] correctly, I think he said the peanut acreage had been reduced 50 percent since the controls on peanuts and acreage went into effect. Is that correct?

Mr. POAGE. That is about right.

Mr. CRAWFORD. In reading this bill it deals with the national acreage allotment for 1951, 1952, 1953, and 1954. It does not deal with pounds or tons. I think as long as we deal with acres and the production of acres which can be increased by this, that, and the other method, we will always be in hot water on these basic commodities.

Looking at page 8 of the committee report I find this language:

"First indicated 1951 acreage allotment," so many acres.

Nineteen hundred and fifty-one acreage allotment announced October 26, 1950, so many acres.

Finally, 1951 acreage allotment, 1,850,200 acres.

The table does not say when that was made, but here, subsequent to that last allotment we have this bill providing 66,655 additional acres. That shows the degree of uncertainty in a program of this kind, the instability, the impossibility of nailing something down.

I wish to ask the chairman of the committee two or three basic questions which trouble me on all of these bills: Does this bill confer proprietary rights to grow peanuts only on those farms where peanuts have been grown heretofore?

Mr. COOLEY. This bill does not confer any such authority as the gentleman suggests. The gentleman, I am sure, is familiar with the acreage quota laws which Congress has enacted in past years. Historical data are used in determining acreage allotments, but that is not the controlling and only factor.

Mr. CRAWFORD. Let us take the language in this bill, page 1, lines 6 to 10, inclusive, and then go to the language on page 5, subparagraph (f). As I understand that language it does confer the right to grow peanuts on farms where peanuts have previously been grown.

Now, am I right or wrong in that understanding?

Mr. COOLEY. As I said a moment ago, history is one of the factors taken into consideration, but there are other factors.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield the remainder of my time to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, for some years now peanuts have been classed as one of the six basic commodities. While it is true that peanuts are produced in relatively a small area of our country, in those sections where they are raised it is the main money crop and almost the sole money crop for the farmers and it affects their entire economic stability and well-being.

For some time now certain types of peanuts have been in short supply while the other types are not. We have had a shortage within a surplus. The main types of peanuts are:

Virginia-type peanut, which is grown chiefly in Virginia, North and South Carolina, and Tennessee. The Valencia, which is grown in New Mexico with a small amount in Tennessee. These two types produce what we call the Ball Park peanuts and large and fancy peanuts used mainly for salting.

The other types are Spanish, grown in the Southwest, and Runners, grown mainly in the Southeast.

Manufacturers of candy and the handlers of salted peanuts have been complaining for 2 or 3 years that they have been unable to secure a sufficient amount of the proper kind of peanuts to satisfy the demands of their trade. Unless something is done about this, great harm will have been done the peanut industry as a whole because our American people, if they cannot get the commodity they want, will get some other commodity, and certainly they are entitled to have, whenever possible, those things which they desire.

The present law treats peanuts as one commodity and makes no distinctions between the types. When a cut is made by the Department of Agriculture in the peanut-acreage allotment, every section and type must necessarily receive the same proportionate of the cut. This, of course, is a vital weakness in the present agricultural legislation.

This bill, H. R. 2615, is intended to relieve just that situation. Among other things the bill amends certain provisions of the Agricultural Adjustment Act of 1938, as amended, relating to the establishment of peanut-acreage allotments for States, counties, and farms. It also amends the provisions of law relating to the marketing of excess peanuts and clarifies the provision under which farm acreage allotments and marketing quotas established by local county committees may be reviewed by separate committees of disinterested farmers.

Probably the most important provision of the bill is the provision which will

assure an ample production of all types of peanuts. One of the important provisions of the Agricultural Adjustment Act of 1938 is section 304 which establishes consumer safeguards. Under that provision it is made the duty of the Secretary of Agriculture to administer the statute so as to provide for the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demands at prices fair to both consumers and producers. The provisions of the bill before us for attention today will enable the Secretary of Agriculture to give full effect to the consumer safeguard provision by permitting him to increase at any time the acreage allotment for any State producing a type of peanuts which is in short supply.

At the present time it is generally recognized that the Virginia-type peanuts are in short supply and that there is need for increasing the allotments for such type of peanuts above those provided for under existing legislation. The supply of such peanuts has been deemed so short by certain end users that efforts were made during the past year to import peanuts from China. While we do not agree that there has been a shortage sufficient to warrant such importation, we do recognize that corrective measures such as those proposed in this bill should be enacted into law so that the Secretary of Agriculture may at all times allocate sufficient acreage to produce an adequate supply of all types of peanuts to meet consumer demand at fair and reasonable prices.

In 1949 with the wartime demand at an end, it became necessary to adjust production again to peacetime needs, and marketing quotas were made effective in 1949 for the first time since 1942. The 1949 national acreage allotment called for a reduction in acreage from 3,311,000 to 2,628,970 acres, a reduction of 20.6 percent. In 1950 the national acreage allotment was again reduced from 2,628,970 to 2,200,194 acres, another reduction of 16.3 percent. In 1951 the national acreage allotment was again reduced from 2,200,194 acres in 1950 to 1,771,117 acres, a reduction of 19.5 percent. This represents a total reduction in acreage in three crop-years from 3,311,000 to 1,771,117, or 46.5 percent. This is one of the sharpest acreage reductions that producers of any commodity have ever been called upon to make within such a short period of time.

It is the purpose of the bill now before us to provide a basis for fairly adjusting production to peacetime needs as rapidly as is possible without creating undue hardship, and at the same time assuring an adequate production of all needed types of peanuts. This bill is designed to accomplish this objective through the gradual elimination of the minimum allotment provisions and a return to a history basis for apportionment of the national allotment, in order that all States will be treated alike and will receive their allotments on a formula common to all the States; namely, the acreage of peanuts harvested in the State during a moving base period.

In general, it is the principal method employed in apportioning allotments of all other crops. It is recognized, however, that to require all States to have their allotments determined immediately upon the basis of historical acreages, would cause some States to take reductions so large that undue hardship would result. Therefore, under the proposed bill those States which do not now have a historical base sufficient to justify their current allotment will be given an opportunity over a reasonable period of time to establish base histories which will enable such States to maintain their current relationship with other States. This is accomplished by providing for the establishment of allotments of those States on the basis of the final 1950 allotments and by adding the additional acreage required to the national allotment.

It will be seen, therefore, that the main provisions of this bill are:

First. It provides that the national acreage allotment for 1951, 1952, 1953, and 1954, less the acreage allotted to new farms, shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in each State during the 5-year period 1945-49. It is provided, however, that the allotment so established for any State shall not be less than the allotment which would be established if the national acreage allotment for such year were apportioned among the States on the basis of the acreage allotted to each State as its share of the final 1950 national acreage allotment of 2,200,194 acres.

Second. It provides that the national acreage allotment for 1955 and any subsequent year, less the acreage to be allotted to new farms, shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the 5 years preceding the year in which the national acreage allotment is determined, adjusted for abnormal conditions of production. The amount of the harvested acreage for any year used in making this determination may not exceed the State acreage allotment for that year. Thus, the actual acreage harvested will be used if such acreage is less than the State allotment; but, if the harvested acreage exceeds the State allotment, the latter will be used as the acreage for that year.

Third. It provides that, if the Secretary of Agriculture finds that any type of peanuts is in short supply and will be insufficient to meet the estimated demands of the trade, the allotment to those States producing such type peanut shall be increased to the extent necessary to produce a quantity of peanuts sufficient to meet such a demand. This is a vitally important part of this bill and means that no longer will there be a shortage within a surplus. The Secretary of Agriculture is given full authority to see that the edible trade are provided with a sufficient number of peanuts to meet the demands, and it is only fair and just that our farmers be allowed to produce the amount of peanuts that are needed and can be used without adversely affecting the economy of the peanut industry.

This provision is intended to permit the producers of a particular type of peanut to produce a sufficient quantity to meet the demands of the trade without being penalized because there is an over-all surplus of peanuts in some other type or types. Under the present law no relief can be afforded to the producers of a particular type of peanut even though they do not contribute to the surplus, and the demands of the trade will more than take care of the amount being produced under the present program.

If relief is to be given to the growers for the 1951 crop, it is vitally important that this legislation be enacted immediately, because the planting season will soon be upon us. This body, in 1950 passed a bill that would substantially have taken care of the situation that we are discussing, but the other body failed to take any action whatsoever. It is hoped that in the very near future they will see fit to take some positive action to correct and remedy this situation whereby a great injustice and inequity is being done to producers of a certain type of peanut.

(Mr. ABBITT asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. All time for general debate having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

1. Subsection (c) is amended to read as follows:

"(c) (1) The national acreage allotment for 1951, 1952, 1953, and 1954, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in each State during the 5-year period 1945-1949: *Provided*, That the State acreage allotment so established for any State shall not be less than the acreage allotment which would be established for such State if the national acreage allotment for such year were apportioned among the States on the basis of the acreage allotted to each State as its share of the final 1950 national acreage allotment of 2,200,194 acres: *Provided further*, That the allotment so determined for any State for 1951 which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this act shall be increased to such announced allotment and the acreage required for the increase authorized under the foregoing provisos shall be in addition to the national acreage allotment and the production from such acreage shall be in addition to the national marketing quota.

"(2) The national acreage allotment for 1955 and any subsequent year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the 5 years preceding the year in which the national acreage allotment is determined, adjusted for abnormal conditions of production, but such harvested acreage for any year of the 5-year period shall not exceed the State acreage allotment for such year.

"(3) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding 5 years, adjusted for trends in yields and abnormal conditions of production affecting yields in such 5 years, that the supply of any

type or types of peanuts for any marketing year, beginning with the 1951-52 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts (excluding acreage in excess of farm allotments) of such type or types in the 3 years preceding the year in or for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments."

2. Subsection (d) is amended by changing the second sentence to read as follows:

"(d) The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts."

3. Add new subsections (e), (f), (g), and (h) as follows:

"(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the 5 years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

"(f) Not more than 1 percent of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past 3 years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

"(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and

reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a 3-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

"(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within 5 years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 percent of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is not a peanut raised in my district, but there are a few peanut politicians up there. The remark was made here today that they are drafting peanut and cotton farmers into the Armed Forces, thereby creating a closed shop for the peanut-growing industry. I am not qualified to speak on that, but I can say with accuracy that they are doing a good job on the up-State dairy farms of New York.

While I am not quarreling with General Hershey on the matter of drafting boys off the farm any more than I would boys in the cities, I do want to state that they are deliberately, in my district at least, ruining the family-sized dairy farm in favor of the big-time operators, those with 300 to 500 dairy cows, by saving their farm hands from military service. On the other hand, the average farmer in my district milking 20 cows is having his son drafted off the farm. He has just one recourse, and that is to close up shop. He closes his dairy and he loses his farm. He has no other

choice because he cannot get any help to continue with the farm.

So while I am not quarreling with the draft law nor with the draft regulations, because my record will show I have gone right down the line—when the Nation needed manpower I was all for getting it in any way we could—I am against a policy, whether it is openly announced or secretive of deliberately attempting to ruin the family-sized dairy farms of my district by drafting all of their farm help.

The other day I received a letter from a man who is milking 15 cows. He has one son and the boy is going away. He told me he was not complaining about the young man being drafted because he realized it was a matter of necessity and a matter of patriotic duty, however, there was another farmer he knew of—incidentally there were a number of farmers or men who posed as farmers—who owned a herd of about 250 cows and who was able to exert enough influence so that the help was not drafted off the farm.

I say that if conditions are going on like that they are accomplishing the creation of communism in this country without the firing of a single shot or without combating communism from the outside. If you ruin the family-sized farms of America, whether it is a peanut farm or cotton farm or dairy farm, by deliberately prejudicing them by a policy against the small-type operator and giving these big producers a chance to keep their labor without drafting them off the farms, it is one of the greatest mistakes that this country could possibly make, and I say that the Selective Service operators ought to look into it and see that this policy is corrected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I know the gentleman operates a family-sized dairy farm himself. I would like to ask him, in the case he referred to, of a farmer having 15 milk cows, if that farmer used a milking machine, or does the gentleman himself use a milking machine on his dairy farm?

Mr. EDWIN ARTHUR HALL. I am not as expert as some men in public life I could mention in using a milking machine, but I probably could get away with it if I had to.

Mr. AUGUST H. ANDRESEN. Well, does the gentleman use a milking machine on his own place or does he do it by hand in the old fashioned method?

Mr. EDWIN ARTHUR HALL. I will tell you a little story about the man who ran against me in the last primary. He made the statement that I did not know anything about a dairy farm and then he immediately told the Grange that he was addressing that he and his father and his brother milked 160 cows by hand twice a day, and got away with it.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman is on the Committee on Agriculture, and I

wonder if the gentleman would help me and some of the rest of us here to get some information we just cannot get. I have asked the Department of Agriculture time and again to give me a record of how many farmers enjoyed the benefit of the support price and other payments under these various programs, and they always come back and tell me, "Well, we do not know exactly how many; some are indirect, some are direct. We are very sorry." Perhaps if we could pin it down to some figures we could soon find out whether these vast expenditures on support programs are being expended for the people who need it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for three additional minutes.

The CHAIRMAN. Is their objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. I thank the gentleman. I can answer the gentleman in this way, that one of the reasons why I brought up a motion to recommit in the bill last year containing the subsidy payments is because the people up in my district and in up-State New York were excluded from any participation in the entire area. Now, I cannot give the gentleman any figures in the other States, but I can tell you that insofar as up-State New York goes, we are devoid and we are deprived of any participation in what the so-called farm bloc is able to participate in. We are not members of the farm bloc in up-State New York.

Mr. JAVITS. I would like to tell the gentleman as far as the city people are concerned, we are caught on the one side of the argument that the little dairyman is not participating and on the other side by other assertions that it is the middleman who is skimming off all the milk, and the city people are paying for it. All we know is that food is just going out of sight far and beyond anything else.

Mr. EDWIN ARTHUR HALL. The gentleman is right. As far as I am concerned, the middleman is the one to blame, and the dairy farmer is going to take it on the chin just as much as the consumer.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman has referred to the attitude of the farmers in up-State New York. Since my district adjoins his, I would not like the impression to be conveyed abroad that add the farmers in up-State New York are looking to the Federal Government for a hand-out. The farmers in my congressional district are definitely opposed to it.

Mr. EDWIN ARTHUR HALL. I hope the gentleman is not trying to put words into my mouth in saying that the people of up-State New York want a hand-out and subsidies, because I have fought this program right down the line. As I do

not have the last year's RECORD at hand, I do not know offhand if the gentleman went along with my position and voted for the Hall motion to recommit the whole subsidy program. But I suggest he familiarize himself with my attitude and my long fight against hand-outs of this kind.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. In answer to the gentleman from New York [Mr. JAVITS] who wanted to know something about high prices to these farmers, if your folks in New York, Dubinsky's outfit, would not charge so much for these socks that the farmers have to wear and the clothes and the overalls, they would not be so bad off.

Mr. JAVITS. All I can tell the gentleman, the index for everything has gone up 178 percent and the index for food 220 percent since 1939.

Mr. EDWIN ARTHUR HALL. I will say this, that the dairy farmer from Up-State New York has just as much right to participate in a prosperous program as the farmer in any other part of the country, and as long as we can continue to operate the family-sized farm and milk from 15 or 20 cows—I am not a big operator; I am a small operator—American agriculture will be prosperous.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is not my purpose or desire to debate what the purposes of the Department of Agriculture are or what it was created for, nor the Department of Labor. I realize the Department of Labor was created purposely to look out for labor, and the Department of Agriculture, of course, is for the farmer and the consumer. I favor this.

Neither do I propose to get into a debate as to whether the agricultural program is socialistic, nor do I care to get into a debate as to whether rural electrification is socialistic. However, Mr. Chairman, I hope the committee will weigh the situation in which we find ourselves with respect to the peanut crops, types in long supply and in short supply and assist in correcting the situation.

As has been stated by the able ranking minority member of the committee, this program was started in 1938. The program worked well up until the Second World War. When the war approached, quotas were taken off peanuts. The States of North Carolina and Virginia were unable to expand their crops. Other States expanded their crops, and peanuts were grown in large volume and large acreage in new territory.

When the acreage was brought back under control, and prior to that time, a provision was put in the law that Virginia and North Carolina should not go below a specific number of acres, 225,000 for North Carolina and 180,000 or 190,000 for Virginia. Quotas were lifted due to the fact that peanut oil, peanut butter, and other peanut products were found to be an asset to the war effort.

The question was asked, what part did peanut products play in the war? Peanut oil was used in submarines for cooking, and so forth, as a substitute our allies for fats and oil, and it was used in other fields of the war. The question is that the programs got out of line due to expansion brought about by the war. This is a step to bring the program back into line.

We in North Carolina and we in Virginia realize the excessive price of the jumbo peanut, the baseball-park peanut, the large peanut. We do not desire to see it get into competition with pistachio nuts and other nuts of that grade, but it has got into competition with them. We desire to see the price of our type of peanut held down to a fair price to the consumer, and bring a just return to the farmer.

The Secretary of Agriculture made his announcement of over-all peanut acreage, and has successively in the past year made this announcement, which has brought the acreage in North Carolina and Virginia down below that which would suffice as a normal crop for the consuming people of the country desiring that type of peanut.

Some time ago an amendment to this peanut act was passed taking away from Virginia and North Carolina their minimum plantings. At that time I thought it was a mistake; nevertheless, it was done. Had it stayed in the law, this question would not be here today. But since the Secretary of Agriculture made his announcement of the 1951 crop last year, it is now understood and everybody admits that the type of peanut we desire to bring into production to meet the market demand is now in short supply. The consumers are asking for it, the manufacturers are asking for it, and all those who have analyzed the problem agree that something should be done.

Not to cause a great hardship on certain other areas, the Secretary of Agriculture here is permitted to take into consideration a special provision which was granted in the last session of the Congress with respect to the runner and Spanish-type peanuts. It will only permit him to bring into supply the type of peanut which the country now recognizes is in short supply. I do hope that the bill is adopted.

This is not all I would like to see; I would, frankly, like to see the type of bill we have in the tobacco program where we provide for the burley and bright leaf and various other types of tobacco with respect to which allocations are made. In the peanut-crop program we consider the peanut as a whole. I hope the discussion here today will stick to the problem of whether or not this is a fair bill which I assure you it is. It can be adjusted, as has been said, so as to bring the entire crop for all types into supply next year. Before this emergency is over in all probability we might have to lift quotas on peanuts again, at which time should it happen provisions should be made so as to avoid a repetition of the present situation.

Ladies and gentlemen of the Committee, I firmly believe this proposed change

in the existing peanut program is for the best interest of the entire agricultural program and I hope it will be adopted.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when my time expired during general debate I was attempting to get an answer from the chairman of the committee as to the actual meaning of subsection (f) on page 5 of the bill. I do not believe the chairman answered my question. Referring to language on page 10 of the report under section 358 (F) New Farms; my question to the chairman of the committee is: If a man has never grown peanuts on the farm or the land in question can he obtain any part of that 1 percent of the acreage?

Mr. COOLEY. The gentleman is correct; he can obtain it.

Mr. CRAWFORD. You say that he can obtain it?

Mr. COOLEY. That is right.

Mr. CRAWFORD. Then why does subparagraph (f) make the first condition "Past peanut-producing experience," and then in addition provide that he must have labor and equipment available for the production of peanuts? Then why does the report also point out: "Existing law does not specifically provide for the establishment of allotments for 'new' peanut farms." There is technical language here which has not been made clear to the Members of the House. I think the chairman should clear it up so that there will be no question about it whatsoever.

Mr. COOLEY. What is the ambiguity which the gentleman finds in the language?

Mr. CRAWFORD. We all know that the chairman of the Committee on Agriculture is as smart as anybody needs to be. I am going to put my question in simple language. Does the language of this bill as you present it unquestionably permit men to grow peanuts who never grew peanuts before?

Mr. COOLEY. Unquestionably it does.

Mr. CRAWFORD. Then the gentleman has answered my question.

Let us go then to the next question: Assuming that this acreage increase and the provisions of this bill permit the production in tons of peanuts over and above the market requirement, who then will give the support price?

Mr. COOLEY. The Commodity Credit Corporation is authorized to carry on the support-price program.

Mr. CRAWFORD. Therefore, under this increased acreage, a tonnage might be produced by artificial stimulation by commercial fertilizer and so forth, and good climatic conditions and selection of the soil for this increased acreage, and in view of the needs for the market, as it looks at the present time, further disbursements from the Federal Treasury, may be precipitated?

Mr. COOLEY. No, not as it looks at the present time, nor do we have any justification to believe that it will even in the immediate future, because I might call the gentleman's attention to the fact that the Secretary has already called

for a 16-percent-acreage reduction and the amount of increase here authorized is negligible when related to the national acreage allotment.

Mr. CRAWFORD. If the chairman is correct in that observation, I would then say that you have not gone far enough in permitting acreage to be grown, because if you are trying to meet the needs of the market by increased acreage, you are arguing that the Secretary of Agriculture take the position that the tonnage is not forthcoming under this new increased acreage to meet the needs of the market.

Mr. COOLEY. Perhaps I can clear that up. The only indication of a shortage is in the Virginia-North Carolina area. That is where the edible peanuts are grown. In this bill the Secretary is authorized, upon the passage of the bill, to increase the acreage in those areas. It has already been decreased 16 percent. He can restore that 16 percent if he determines that the demand situation requires it.

Mr. CRAWFORD. He can increase it up to 62,000 acres?

Mr. COOLEY. Any amount that is demanded by the trade.

Mr. CRAWFORD. Now, just a moment. What is the figure in the table on page 8 of the report for, where it says Virginia and North Carolina can have an increase roughly of 62,000 acres? Do you mean to say the Secretary can go up to 150,000 if the trade demands it?

Mr. COOLEY. That figure is the estimated need.

Mr. CRAWFORD. I get more confused than ever.

Mr. COOLEY. I do not know why the gentleman is confused. Certainly it is our purpose to make the matter clear.

Mr. CRAWFORD. Here is why I am confused. Here is a table that shows a total of 66,665 acres of new acreage.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Is that the amount in that column of the approximate increase under the proposed legislation, 66,000 acres, plus?

Mr. COOLEY. The gentleman realizes that we are dealing with two situations, one that is in the Southeast and the other in the North Carolina-Virginia area. In the North Carolina-Virginia area where apparently there is a shortage, the Secretary can increase the acreage so that the farmers may be able to meet the demand.

Mr. CRAWFORD. How much can he increase it?

Mr. COOLEY. Whatever he determines is necessary.

Mr. CRAWFORD. Irrespective of the figures in this table?

Mr. COOLEY. Yes. Those are simply estimates. There is no positive figure stated there.

Mr. CRAWFORD. If that is the case, we might just as well quit kidding ourselves. If the Secretary of Agriculture, I say to the gentleman from Kansas [Mr. HOPE], can increase the acreage on these so-called high-demand peanuts to any acreage he pleases, what is the sense of this bill and this report?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Surely, I will yield. I will say to the gentleman that I think you are confusing this issue by not telling us exactly what the bill means.

Mr. COOLEY. Well, I do not know how I can tell the gentleman any plainer.

Mr. CRAWFORD. Very well. I yield you the balance of my time so that you can explain the matter.

Mr. COOLEY. You make the argument that we ought not to do a certain thing and then you find out we are not doing that and then apparently you argue we should do that very thing.

Mr. CRAWFORD. I am not making any argument that you should not do it. I am trying to find out what you are proposing to do.

Mr. COOLEY. If the gentleman will listen, if you will read the report, I think you could understand it. It is perfectly clear language. There are two situations. One is to authorize the Secretary to meet the consumer demand for edible peanuts. Have you any objection to that? The other one is to correct the situation in Alabama, Texas, and perhaps two or three other States, which will result in some slight increase in acreage, but not an unlimited amount, as the gentleman has indicated. This bill is clearly understood by every member of our committee and by the Department. I do not see how there can be any confusion about it. Whether it will cost the Government any money or not, nobody knows. That depends upon production and the demand situation at harvest time.

This issue has been confused by bringing in the cotton bill. The gentleman from Massachusetts [Mr. HESLTON] should know that we are trying to encourage the cotton farmers of this Nation to more than double the 1950 yield in cotton. There is no control on cotton at all.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes, I yield.

Mr. RANKIN. The gentleman from North Carolina [Mr. COOLEY] says they are trying to encourage the cotton farmers. They prevented the farmers from planting cotton in 1950, and now they say they are trying to encourage the farmer, while they are holding the price down \$130 a bale below the world market.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is a bill consolidating legislative experiments in the production of the lowly peanut. After 13 years of legislation, the different areas

where they have been engaged in peanut production have now gotten together on a measure that is hoped to be a permanent legislative policy in peanut production.

It leaves to the Secretary of Agriculture the authority to determine whether or not there should be an increase or decrease in peanut production.

I remember very well when the Virginia and North Carolina peanut farmers were the only growers raising peanuts for the market. I also remember the good old days when you could buy a full bag of peanuts for a nickel. Those days are gone forever. I would, of course, like to see a return to the nickel bag of peanuts. But there is a shortage of the type of peanuts grown in Virginia and North Carolina, and this bill seeks to increase the acreage of peanuts raised in those two areas. Increasing production of jumbo peanuts should keep the price at reasonable levels.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. BUFFETT. Is the Government now spending some amount of money in supporting the price of peanuts? And if so, approximately what is that amount this year and last year?

Mr. AUGUST H. ANDRESEN. I am unable to give the figures. I asked the Secretary of Agriculture when he appeared before our committee, or his assistant, Mr. Woolley, to submit those figures to us. They did submit what they purchased last year, which was 65,891,000 pounds of shelled peanuts, none of which were the Virginia-Carolina type, and 155,403,000 pounds of shell peanuts. Most of those peanuts went into oil, peanut butter, and other commodities; and the producers of those commodities, naturally, were subsidized.

Mr. BUFFETT. We spent some millions, then, on peanuts?

Mr. AUGUST H. ANDRESEN. A considerable amount, \$20,000,000 in 1950 and \$40,000,000 in 1949.

Mr. BUFFETT. And there will be some substantial payment again this year.

Mr. AUGUST H. ANDRESEN. I think that will depend a great deal upon production this year and whether or not the peanut farmer gets fertilizer to increase the production of peanuts.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield on the acreage point?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. Does the gentleman agree with the gentleman from Texas [Mr. POAGE] that, following the 1938 adoption of the peanut acreage allotment program, the acreage was cut 50 percent?

Mr. AUGUST H. ANDRESEN. Between 1933 and 1938 peanut production was increased in many areas of the country such as Georgia, Alabama, Texas, and other States. I remember very well when the gentlemen from North Carolina came before our committee and demanded, and I think they were correct in it, that North Carolina and Virginia peanut producers should have the exclusive right to produce peanuts, and they tried to stop the passage of legis-

lation that would permit a program for peanuts grown in other areas of the country. There is no question but what the production of peanuts has been increased since the beginning of the war, but since 1947 I think there has been a decrease in production.

Mr. CRAWFORD. But my question was: Did the 1938 legalized program cut acreage of peanuts 50 percent? That is what the gentleman from Texas testified.

Mr. AUGUST H. ANDRESEN. I do not know whether the gentleman from Texas [Mr. POAGE] said that or not. I will yield to him for an answer. Was the peanut acreage cut 50 percent in 1938?

Mr. POAGE. Not in 1938; but I think it will be found that from the uncontrolled period down to the present there has been about a 50-percent cut.

Mr. CRAWFORD. That is a different proposition.

Mr. AUGUST H. ANDRESEN. I do not agree with that. Of course, peanut production has increased since 1938 because up to that time the Virginia-North Carolina producers had the main production of edible peanuts in this country.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HARDY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am not a member of the Committee on Agriculture but I know a little something about this bill and I know a little something about peanuts and the peanut program. There is so much confusion I do not know whether I can straighten it out or not but I do want to call attention to a point which the gentleman from Michigan [Mr. CRAWFORD] raised that I think needs a little clarification. This legislation would give the Secretary of Agriculture authority to increase the acreage of peanuts in certain States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. It would also give him authority, would it not, to decrease acreage if the supplies were excessive?

Mr. HARDY. I am not sure about that, but I would be agreeable to such a program.

I want to make a point which the gentleman from Minnesota is familiar with and which he touched on in his remarks. Under every program that we have the Secretary has the responsibility for determining the acreage which will be allotted among the States. So if you are going to have any flexibility of program you have to leave it to the Secretary to make a finding as to what the need is and the quantity of peanuts which must be produced in order to take care of that need.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Texas.

Mr. POAGE. May I say to the gentleman from Minnesota and the gentleman from Michigan that I have here the

exact figures. In 1942 we planted 3,355,000 acres. In 1943 the harvested acreage was 3,528,000 acres. We are now down to 1,900,000 acres.

Mr. HARDY. Now, do not get into an argument on my time. I want to try to clarify just a little bit if I may what this picture really is.

The Virginia peanut is that peanut which is in demand for edible products. Under the present arrangement all peanuts are allotted together in one little pool. They are divided up accordingly. That brings the edible-type-peanut acreage down proportionately with the type peanut which normally goes to the oil mill. The only way that we have of accomplishing an adjustment at the moment is through some means by which the Secretary of Agriculture can adjust the production upward of that particular type in which there is a short supply and for which there is a demand. I do not believe it can be honestly stated that the operation of the price-support program with respect to the Virginia-type peanut has cost Uncle Sam a dime. There have been some costs allocated to the Virginia type by virtue of the fact that certain grades of Virginia type have been taken off the market in order that certain of the other types might be moved into the market. But there is no reason whatever to expect that a single peanut produced under any additional acreage authorized by the Secretary under this bill will cost the United States Government a single dime. It is absolutely senseless to require a reduction below the need of any commodity. I do not believe we can long live with such legislation as the peanut legislation now is where we are producing a type of commodity of which we do not furnish enough to meet the demand of the trade.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I do not see anything wrong with what the gentleman just said with reference to the edible peanut. The approximate increase for types under the proposed legislation—that is this bill, is it not?

Mr. HARDY. Yes.

Mr. CRAWFORD. In Virginia and North Carolina the average is 62,000 acres. So we bring in a bill to enable the Secretary of Agriculture to do what the gentleman just said, and I am not kicking about that. But the chairman of the Committee on Agriculture has stated that the Secretary of Agriculture can carry that acreage to any limit he deems advisable.

Mr. HARDY. I think the chairman is correct, and I believe the gentleman from Michigan will agree with the correctness of that approach, not to any degree which he deems desirable, but he may carry it to any degree he finds necessary and justified.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. ABBITT. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. He can vary the production to any degree which he finds is required to meet the needs of the trade. If he makes that finding, I will say to the gentleman from Michigan, he is under the same limitation and the same restriction, or essentially the same ones, which he is when he makes a finding as to the acreage of wheat that is necessary.

Mr. CRAWFORD. Now, coming down to some comparison, if we want the Secretary to do a thing like that, why do we limit this to 62,000 acres?

Mr. HARDY. I will say to the gentleman that it is my understanding that the committee has gotten these figures from an indication of what the Department intends to do.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Virginia.

Mr. ABBITT. The representatives from the Secretary's office testified that in their opinion that would be the proper amount that would meet the demands of the trade if this bill is passed. He will go a little more, or maybe under, but that is his opinion now.

Mr. HARDY. I think there might be excellent support for the contention that the Secretary should go further than that. However, this is his determination, and he is going to support it.

Mr. CRAWFORD. Mr. Chairman, if the gentleman will yield further, it was suggested here that this control program cut the acreage of peanuts roughly 50 percent. Now, I knew at the time I submitted the question that what was really meant, it cut the uncontrolled acreage that developed during the last war. That is the fact of the case, but the inference was left that in 1928 they cut the acreage.

Mr. HARDY. I am glad the gentleman corrected that information.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman is my neighbor, and I have the highest affection and regard for him.

Mr. HARDY. I hope he displays it in his question.

Mr. JAVITS. I will do my best. I refer to the letter from the Acting Secretary of the Department of Agriculture dated February 19. On the top of page 7 of the committee report you find the following statement:

Although the major portion of this increase would be in States producing Virginia- and Valencia-type peanuts, there would also be some increase in allotments for other States producing primarily runner- and Spanish-type peanuts. The Department has no objection to the increase which would be brought about in allotments for States producing primarily Virginia or Valencia types. In fact, further increases for these States would be desirable. On the other hand, the Department objects to increasing allotments for those States producing principally runner and Spanish types, since such increase will tend to further increase the quantity of

peanuts to be acquired by the Commodity Credit Corporation and which ordinarily will have to be disposed of at a loss to the Corporation.

Mr. HARDY. I anticipated the gentleman's question, because I knew what he was coming to, in spite of the fact that I had not read that letter. That is a question that I think should more appropriately be answered by the chairman of the committee. This bill would make it possible for the producer of the available types of peanuts to produce enough peanuts, or nearly enough peanuts, to meet the requirements of the trade, and the producers of peanuts—and I know every Member of the House will agree—should not be penalized and required to produce a smaller quantity than is in demand.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word, just to clear up the situation which has been discussed.

The gentleman from New York [Mr. JAVITS] asked a question which the gentleman from Virginia [Mr. HARDY] did not answer. The question was with regard to the views of the Department concerning the proposed increase in the southeastern section. Naturally, the purpose of that provision is to correct an inequity, an inequity which we actually did correct last year for 1 year only. This House approved it, the Senate approved it, and the President signed the bill.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. In addition, this House passed a bill later in the fall that would have given the relief that is given under this bill and would have enabled the Secretary of Agriculture to make a larger cut in the entire acreage over the belt, so that there would not be any total increase. Had the other body passed that last fall we could have still made these adjustments that are desirable here without any increase in the over-all allotment. It will not be necessary under this bill to make any increase in the over-all allotment after this year. But we have to start somewhere. Every time we put it off we run into another year, another year in which you cannot have an over-all adjustment because you have already made commitments. The Secretary of Agriculture made commitments when he announced the quotas last fall.

Mr. COOLEY. May I ask the gentleman from Texas if it is not a fact that we start out now, on the approval of this bill, with what we consider to be a reasonably equitable program? In future years we can cut as drastically as need be from that point.

Mr. POAGE. That is exactly right. If we will pass this bill we will give everybody approximate equality. We cannot cut everybody down 5 percent this year without being unfair to those people who were promised an allotment in December; but beginning next year, if 1,900,000 acres is too much, the Secretary can cut it to 1,700,000 under this bill, but he will bring everybody down

alike and there will not be the injustice that exists without this bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Some of the gentlemen from New York are objecting to this bill. If they vote against it, it is quite apparent to me that they want to have a shortage of the kind of peanuts people buy for edible purposes, so as to create a higher price. I would suggest to them that if they are interested in getting more peanuts for the people who attend baseball games in New York, they ought to vote for this bill to get more peanuts.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. JAVITS. May I tell the gentleman that the people of New York may decide that they do not want to eat peanuts if they are too expensive, which will be a worse blow than any other.

May I ask this question of the chairman: We have just heard from the gentleman from Minnesota, the city member on the Agriculture Committee, that the yield per acre has increased from 600 to 800 pounds. Perhaps when they bring in the amendments to the Agricultural Adjustment Act of 1949, which are due this year, he should take peanuts out of the basic commodities and make them subject to the flexible parity instead of the 90 percent of parity, in view of that fact.

Mr. COOLEY. In view of the fact that there has been a substantial increase in the yield?

Mr. JAVITS. Exactly. That makes a great deal of difference as to whether the parity standard is fair or not.

Mr. COOLEY. The gentleman apparently does not understand what we are dealing with at all.

Mr. JAVITS. I think I do.

Mr. COOLEY. I am sorry, but time will not permit me to explain it to the gentleman.

Mr. JAVITS. I will come to the gentleman's office.

Mr. COOLEY. What the gentleman is talking about is something absolutely foreign to the matter under consideration. If the gentleman will introduce a bill and send it to the committee, I assure him it will be considered.

Mr. JAVITS. I thank the gentleman.

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I want to clear up the record.

Mr. REES of Kansas. That is what I was going to try to do. I want, if I can, to clear up some of the statements that have been made with regard to the manner in which the problem has been managed.

Mr. AUGUST H. ANDRESEN. So that we will know what the support program is. When this program started in 1938

the support price for the farmer was around \$60 a ton. Now the support price is \$216 a ton for peanuts, about 12 cents a pound.

Mr. REES of Kansas. When I was making inquiry a few minutes ago I asked about the amount of peanuts on hand in the Commodity Credit Corporation and the value thereof. I was advised by a member of the Committee that the Commodity Credit Corporation does not have a quantity of peanuts on hand. I notice in the hearings of this committee that Mr. Woolley, representing the Secretary of Agriculture, in response to an inquiry said that on January 29 there were 28,740,000 pounds of farmers' stock peanuts in inventory.

He explained that prior thereto the CCC had a great deal more than that amount, but because of the nature of the product they do not carry it on hand for any length of time.

So, to further clear the record, I call attention to the statement on page 13 of the hearings where the Department advised that the farmers' stock of peanuts purchased during the year, which is the thing we want to know, amounted to 65,891,000 pounds, and then another type of peanuts, the No. 2 program, is 155,463,000 pounds, making a total of 221,354,000 pounds, which is a pretty good share of the entire crop produced during the year.

It is said that the value of the product in 1949 is approximately \$200,000,000, and the Government's contribution amounts to \$40,000,000; which to me is a pretty good share of the cost involved, and the money being spent for this particular product. The question is whether this product is of so much importance that you should spend \$40,000,000 from the Treasury to support a \$200,000,000 crop? Maybe you think it is. In 1950, I understand that it will not cost more than the above amount. I call the gentleman's attention to the figures as they appear in your hearings, and I ask your committee whether or not this crop is of so much importance that you ought to spend \$40,000,000 on a \$20,000,000 crop for one year and probably between 20 and 40 million dollars next year. I do not know what it is this year, but I am just putting this question to you for the record, and also call your attention to the fact that, although the Commodity Credit Corporation does not have a great amount of this product on hand now, nevertheless a big share of it did go through the Commodity Credit Corporation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished chairman of the committee.

Mr. COOLEY. I realize, of course, that the gentleman is calling my attention to the language which we ourselves have written in this report. The operation in 1949 was not a normal price-support operation, and we are doing everything we can to minimize the losses.

Mr. REES of Kansas. I am reading the record from the hearings. This committee has approved and gone along and

evidently it approved this \$40,000,000 expenditure. Your committee did call the attention of the House to this item and certainly did not criticize it.

Mr. COOLEY. We did not approve it. The Congress had authorized it.

Mr. REES of Kansas. I mean that the Congress had approved it, yes.

Mr. COOLEY. And the losses so far are only about \$5,000,000 as a result of last year's operation with the possibility that it may go to \$16,000,000.

Mr. REES of Kansas. I understand, according to the testimony of the Department of Agriculture the loss will run at least to \$20,000,000. We do not know now what the figure may be.

Mr. COOLEY. The gentleman realizes, of course, that we are reducing acreage substantially to the extent of about 300,000 acres this year.

Mr. REES of Kansas. I understand that the acreage is being reduced in some areas of the country.

Mr. COOLEY. That is correct.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. FULTON. I think that the gentleman has made a good point as to the amount of subsidy there is involved in this price. Actually it is much more of a subsidy because there are \$40,000,000 of subsidy in a \$200,000,000 volume, so it is \$40,000,000 on \$160,000,000.

Mr. REES of Kansas. Which is approximately 25 percent of the value of the crop.

Mr. FULTON. Yes.

Mr. REES of Kansas. Mr. Chairman, the particular thing to which I want to direct the attention of the committee at this time is the amount of money, not just support, but funds of the taxpayers, that is being used to support a comparatively small segment of agriculture. The 1949 crop, according to the statements of the Department of Agriculture, and according to the hearings before the committee, was valued and sold for approximately \$200,000,000. Of this amount \$40,000,000 was support money contributed by the taxpayers of this country. This is 25 percent of the amount for which the peanut crop was sold. It seems to me that this is considerably out of line. I can hardly understand why a peanut crop under Government control and limited to only small areas in certain States should be entitled to subsidies in this amount.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Might I ask a question of the chairman of the committee as to the meaning of the language at the bottom of page 3, as follows:

The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments.

Would you explain that very shortly? Is that limiting it just to this particular year, and we are not going to have any precedent set by the particular type of

acreage allotments we are using this year?

Mr. COOLEY. That has reference to the increase in the type only.

Mr. FULTON. It means that it will not bind future years?

Mr. COOLEY. No, no. It is just from year to year. If during the current year the Secretary determines that there is need for more peanuts for the edible trade, he is authorized to increase the acreage. The increase that is given does not give the farmer any vested right in that acreage.

Mr. FULTON. You have made the language so specific that it shall not even be considered in another year.

Mr. COOLEY. That is right.

Mr. FULTON. So that in setting his policy under legislation the Secretary is not even to consider what is done this year or next year.

Mr. COOLEY. What is the objection to that?

Mr. FULTON. I am asking what the meaning of it is.

Mr. COOLEY. And I have told the gentleman.

Mr. FULTON. Just why is the language limited so specifically that the Secretary cannot even consider what goes on this year?

Mr. COOLEY. Because, if the gentleman is familiar with the basic peanut law, he knows the Secretary is given certain guides to follow. One is past production. The other is physical facilities, and so forth. When he increases the acreage this year we say that he need not even consider this when he comes to make up his mind next year, but then he shall look again at the supply and demand picture and make up what he considers to be a wise decision with reference to acreage allotments.

Mr. FULTON. Leaving what he decided this year in respect to specific farms and acreage and types of peanuts, out of it?

Mr. COOLEY. Exactly.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. BONNER. In other words, it means this shall not be taken into consideration as historical precedent.

Mr. FULTON. That is an answer to the question. That is what I wanted. This means that this is being set up for this year as a special bill. It is to have a life of 1 year and shall not be taken historically as a precedent in setting the acreage for future years.

Mr. COOLEY. It is not taken as a precedent. It is not taken into consideration. However, this is not just a 1-year bill.

Mr. FULTON. No. I realize that. But your language is limiting the effect of what you do this year to this year, because the Secretary is not to take it into consideration in future years. Is that right?

Mr. COOLEY. That is right.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. ABBITT. That language applies only after the acreage allotments have been set. The Secretary determines that some type is in short supply. Then he

determines how much is needed to bring that type up to meet the demands of the trade. That is over and above the national allotment. The farmer cannot come back next year and say, "Now, you gave me 5 acres last year and I want it this year." That is why this language is put in there.

Mr. FULTON. It does not seem fair to the farmer to be given peanut acreage for just 1 year without assurance he can even be considered for the next year. I come from Pennsylvania. Are there any peanuts raised in Pennsylvania for the market?

Mr. ABBITT. No.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. RANKIN. I am not sure about that, but whatever they do raise, they will soon be regimenting them and telling them how much they can raise, and whereabouts, and whether they can sell it or not.

Mr. FULTON. I am afraid I am agreeing with the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. FULTON. I ask unanimous consent, Mr. Chairman, to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CRAWFORD. With the enactment of this proposal into law, the Secretary of Agriculture can hereafter, from time to time, say that with respect to the runner type of peanut or the Spanish type or the Virginia-North Carolina type the acreage shall be so and so, based on the needs as he sees them at the present time.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. ABBITT. If he determines that there is a short supply of this particular type, then he shall increase it enough to meet the demands of the trade for that particular type, but that is just for 1 year. You cannot claim that you have any inherent right in those particular acres next year.

Mr. CRAWFORD. And we will bring in a whole new theory covered by terminology type that we have not used heretofore.

Mr. ABBITT. That is right.

Mr. CRAWFORD. Can the Secretary of Agriculture do the same thing with reference to types of cotton and types of wheat?

Mr. ABBITT. The best answer I can say there is with reference to tobacco. The whole tobacco program is set up by types, and it has proved to be one of the best programs we have ever had. Every one of these types is set up as a separate commodity.

Mr. CRAWFORD. And strictly limited to the year in question?

Mr. ABBITT. To the demand at that time; yes, sir.

Mr. FULTON. Now, why do you men who are interested in the production of these peanuts want to limit this acreage allotment so that it is only a 1-year shot? Why do you not want it as a historical precedent to look to next year to see what should be done then? What is wrong with that?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. COOLEY. The other part of the bill which was discussed a moment ago by the gentleman from Texas [Mr. POAGE] does correct an inequity and establish uniformity. From that base which we here are about to establish the future adjustments will be made up or down in uniform fashion.

The other section which the gentleman from Virginia was just discussing with the gentleman from Pennsylvania authorizes the Secretary to make adjustments each year with regard to particular types if that type is in short supply.

This section we are talking about is certainly by all means in the consumers' interests.

Mr. FULTON. I am, of course, speaking from a consumer's district in asking if any peanuts are grown in Pennsylvania, or if under this act they could be? My feeling is that under this program there could be no peanuts raised in Pennsylvania. I doubt the constitutionality of an act that would prevent peanuts being raised in any State where they wanted to raise them.

Mr. COOLEY. There is nothing in any farm program anywhere that will prohibit the growing of anything that the earth of this country will produce.

Mr. FULTON. But if we are not under the program are we not penalized if our producers raise peanuts and try to market them?

Mr. COOLEY. Yes; but—

Mr. FULTON. Did the gentleman say "Yes; but"?

Mr. COOLEY. Yes, you can be penalized for growing peanuts that have not been allocated to you, but you can grow them; under this bill there is provision made for new farmers who never have grown peanuts before.

Mr. FULTON. Can the Secretary of Agriculture, then, for the current year under this bill allocate peanut acreage to Pennsylvania?

Mr. COOLEY. He definitely can. I think it was unfortunate that the gentleman did not look at that 1 percent provision which we have set apart for new growers. In all these programs provision is made for adjustments to correct inequitable allotments.

Mr. FULTON. I have looked at it. As a matter of fact there are about 8 States involved in this program. The other 40 States are entitled to the 1 percent. In other words, Pennsylvania would get one-fortieth of 1 percent.

Mr. COOLEY. Whether the gentleman's State would get one-fortieth of 1 percent or 50 percent would make no difference; you never grow peanuts anyway.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Virginia.

Mr. ABBITT. Under the basic Peanut Act no grower is penalized if he grows an acre or less. Every farmer in Pennsylvania could grow an acre or less of peanuts without penalty.

Mr. FULTON. Let me ask this: The price of peanuts has risen from \$60 a ton in 1938 until now it is \$216 a ton. This is the figure at which the United States Government supports this year's crop, and at which the Government is now buying peanuts. The Commodity Credit Corporation buys from the program peanuts that are excess for edible demand. The surplus edible peanuts are thus sold at a loss to Commodity Credit Corporation for crushing for oil, and that is where the subsidy becomes apparent.

What is the reason for price support and the 25 percent subsidy on this crop when the price of peanuts has gone up disproportionately to the general living cost and the general wage rates? Why has this crop moved ahead so fast that it has gone up 300 to 400 percent when the workers in the cities and white-collar people have not had any wage increase of 300 to 400 percent since 1938? Will the gentleman answer me that?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for one additional minute that the gentleman may answer me.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COOLEY. I do not know that I can answer in 1 minute but I think the answer is that the substantial increase in the price as indicated by the gentleman is due to the fact that at one time, I do not know what year it was, peanuts were selling for 3 or 4 cents a pound.

Mr. FULTON. That was in the nineteen thirties.

Mr. COOLEY. The gentleman used the figure \$60 a ton. It has been increased. But, bear in mind, it has not been increased above 90 percent of what we consider to be a fair price based on the index that is used.

Mr. FULTON. From the consumer's point of view and the taxpayer's point of view, this peanut program would be a good place to cut the budget. I do not see why we could not save \$40,000,000 right here in time of war when vegetable and mineral oils are in such extreme demand that the fellow who has any ability whatever and who can get out and hustle is able to sell all he can produce.

We must cut all unnecessary items of a nondefense nature in the current budget. This is the first opportunity in this Congress to vote for economy, and it is our duty to start cutting today. The job of economy is hard, and many talk economy, but few vote economy. When the peanut farmers need assistance, they will find ready friends in this House. I do not see the need at this time, nor can I see the reason in these critical times

for pushing a commodity higher in price by Government subsidy. When our whole thought should be directed toward holding the line against inflation in every sector of our economy.

Mr. POAGE. Mr. Chairman, I move to strike out the requisite number of words to demonstrate why we will not save \$40,000,000 by failure to pass this bill.

In the first place, Mr. Chairman, the program is not costing us \$40,000,000, it did not cost us \$40,000,000 in 1950, and with the 300,000-acre cut, which is a 16-percent cut or more which we made last year, I do not think it is going to cost us anything this year. If it is not going to cost us anything you cannot save anything by abolishing it. You cannot save \$40,000,000 by not having a program that does not cost you anything.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I want to protect the farmers, especially people having family-sized farms who need an income. We cannot have a disaster. Let us then change the bill and make it an insurance proposition and give assistance to all farmers say making less than \$3,000 a year.

Mr. POAGE. If the gentleman is suggesting a crop-price insurance proposition, he may recall that the chairman of our committee and myself have been suggesting crop-price insurance for several years, but I do not think the gentleman from Pennsylvania or any of the rest of the gentlemen who want to save the taxpayer some money would want to embark upon the matter of crop-price insurance without considerably more knowledge of what is involved, what rates would have to be charged and what losses might be anticipated than they have now. Certainly crop insurance has many sound and desirable features. But I do not think we will be justified in applying it simply to the peanut crop and not applying it to other crops. I think you are going out on a very, very broad field when you talk about crop-price insurance. I want the Members to understand the desirability of such a program, but I want them to understand also the tremendous implications involved in crop-price insurance and the tremendous losses that the Government could take.

We have had crop-production insurance in this country for several years. It took us 10 to 12 years to get on anything like a sound basis. Even today we are having to experiment, to change, to rewrite, to revise, but in the last 2 years we have had it on a paying basis where if it is not costing the taxpayers any money at all. It will take us at least that long to establish a sound crop price-insurance program.

We are faced with a situation where we need some action within the next 3 weeks, because peanuts are going to be planted around the 1st of April. We need immediate action. It is obvious we cannot embark upon a price-insurance program in that short time with any degree of soundness whatsoever.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Let me finish my answer. The gentleman asked me a question and I want to answer it. The gentleman suggests a proposal he has not thought out, in my opinion. He suggests it simply as a proposition to dispose of what we have before us. In order to defeat this bill, he proposes to call up something that we have not thought through at all. This peanut proposition has had some thought. There has been reported from the committee a bill which we believe will take care of the immediate production problem. We believe it will do this with a minimum of loss; that it is not going to involve a \$40,000,000 loss to the Government; a program that involves a reduction of 300,000 acres in peanuts can hardly be expected to involve the losses of 1949. We did not lose \$40,000,000 last year. We did not lose anything like that amount. Yet the gentleman stands up here and blandly assumes this loss, but carefully refrains from telling the House how we lost \$40,000,000 last year because he knows we did not lose it. He gives the implication that we lost \$40,000,000 without saying so. You know, one of the most unfortunate tendencies on the part of any Member is to get up and imply that we have done a thing that we have not done, and then come back and say, "Oh, no; I did not say that." And, in truth, the gentleman from Pennsylvania did not say that we lost \$40,000,000, but he asked why we could not save \$40,000,000 simply by not passing the bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that the remainder of the bill be printed at this point, and that all debate on the bill and amendments thereto close in 35 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The remainder of the bill is as follows:

Sec. 2. Subsection (g) of section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by adding after "1947" in the first sentence the words "or 1948, if no peanuts were harvested on the farm in 1947," (2) by striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop," and (3) by inserting the following new sentences after the fifth sentence: "As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as

cooperators, as deliveries to designated agencies."

Sec. 3. The first sentence of section 363 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any farmer who is dissatisfied with his farm marketing quota may, within 15 days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary."

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, I have been very interested in the debate this afternoon. I have been particularly interested in the question of what would happen to a fellow who wants to enter the business of growing peanuts—perhaps he is a farmer, been farming many years, but needs, because he has had his cotton allocation cut in the past, to produce some other crop, and furthermore he is told to diversify. I include at this point a letter:

BIG SANDY, TEX., November 1, 1950.
Congressman LINDLEY BECKWORTH,
Gladewater, Tex.

DEAR LINDLEY: I am writing to explain the position I am in as a farmer. I have a farm leased in which there are 251 acres. This farm belongs to J. Press Davis. I moved on this farm in the fall of 1947. The place hadn't been farmed in several years. The following year I planted 20 acres of cotton, 10 acres of corn, and some small grain. My peanut allotment was zero. This year they allowed me 4.2 acres of cotton and no peanuts. I planted the cotton, knowing that I couldn't make much more than enough to pay my expenses and rent for the farm in which is \$175. I planted 12.4 acres of peanuts. When they came to measure my crop I told them that I planted those peanuts at my own risk, but they determined to measure them anyway.

On October 23, 1950, Mr. Lewis E. Stracener, administration officer, sent a man out to see me about my peanuts. He asked me if I had tried to sell them, or if I was going to sell them. I told him I was if I could. Then I went up to talk to Mr. Stracener. He told me there would be a penalty of 5.4 cents per pound, in which would be half or more than I would get out of the peanuts.

I am a veteran of World War II. I thought freedom was what we were fighting for, but when they allowed me 4.2 acres of cotton to make a living for my wife and two children, I felt that my freedom was gone.

After returning from the service I borrowed money from the FHA to buy some cattle and a tractor in which I still owe some on this debt.

The point is if I can't plant but 4.2 acres of cotton I'll just have to quit and sell my cattle and tractor to get out of debt.

I believe since you being raised in east Texas, you know what I am up against, but I feel that there is some that don't.

That is about all I have to say except I would like very much to continue farming.

Yours very truly,

HOWARD M. SMITH.

Although there is a one-acre minimum allowed, if a person plants one acre and one row more, he cannot sell for edible purposes what he produces from the one acre without a penalty as I understand the situation. And I do not want any Member of this body to believe that that penalty is not heavy. The law is drawn that way. Say what you want to about free enterprise, for those

farmers who are on land without a cotton, wheat, or peanut history there is little opportunity to get a crop acreage large enough to be sustaining when quotas are in effect. I say that and I mean that. I told an association of county judges in Texas last fall that I am for free enterprise on the farm just like I am for free enterprise in business. And I am for it.

Now let us see how the penalty attaches itself in the case of cotton. I have a letter here that was written February 6, 1951. This letter came to me from Bullard, Tex., and I wish the membership would give me close attention as I read this. Here is a little farmer writing. He says:

I produced one bale of cotton on four acres in 1950 and had to pay \$81.84 to sell it.

Here is a little farmer producing one bale of cotton on 4 acres—all the cotton he produced—and he had to pay a penalty of \$81 to sell it. It was worth but about \$225 to begin with at most. Do you think that is treating the little farmer right? Is there any Member that will rise and say that you really feel in your heart he got a square deal? I certainly do not feel he did. What is the situation as he looks toward the future? Let us examine it. We heard the chairman, the able gentleman from North Carolina, say that the farmers are being told to increase their acreage in 1951. They are. But, you do not increase greatly an operation for merely 1 year or you do not go into business for just 1 year generally speaking. To expand an operation or to go into a given farming activity costs some money. One must usually be able to see clearly his situation for more than a year to be justified in spending money for expansion or to enter a given activity. So let us see what the Department of Agriculture says this man's plight or those like him will be in 1952, if we have allotments then, and we certainly could have cotton allotments in 1952. No man can guarantee we will not have cotton allotments in 1952.

What would his plight be? I read from a letter the Department of Agriculture wrote me, through Mr. McCormick, December 15, 1950:

Therefore, if all farmers in a county should double their cotton acreage in 1951 over 1950, the 1952 farm allotments may be changed considerably, or not at all, or somewhere between—

That is the Department of Agriculture speaking. Think of it; the Department of Agriculture through an Under Secretary telling the cotton farmers of this country that if they increase their production the allotment in 1952 may be increased considerably, or not at all, or somewhere between. You talk about confusion. I think the debate here this afternoon is evidence that there is much confusion in the Department of Agriculture.

I would welcome your making an examination of the Department's support prices to find out how many farmers, and I am talking about the producers themselves, actually are receiving the income from the crops that are produced and above all what percentage of the in-

come is going to various percentages of producers. That study has not been made generally speaking I believe. I think it ought to be made. I have been trying to get some information on it myself, and it is difficult to get.

I hope the Members will interest themselves along this line in the interest of free enterprise on the farm, which we all favor, and in business also.

I include certain other information:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 7, 1951.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This refers to your inquiry of March 6, regarding a bill H. R. 2615, to amend the Agricultural Adjustment Act of 1938 as amended with respect to peanuts.

The bill, as reported, contains the same provisions covered in a letter of February 19, 1951, addressed to the chairman, Committee on Agriculture, House of Representatives, in which this Department expressed reservations.

Sincerely yours,

B. T. HUTCHINSON,
Assistant Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 6, 1951.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR LINDLEY: This is in response to your telephoned request to me this morning.

Attached is a copy of the Committee on Agriculture's report on the bill, H. R. 2615, which includes the Department's letter to Chairman COOLEY.

Sincerely,

CHARLES F. BRANNAN,
Secretary.

[Enclosure.]

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 19, 1951.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. COOLEY: In accordance with your request there is submitted a report on a bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to peanuts.

This report deals primarily with the proposed amendments to section 358 (c) of the act, since the Department has no objection to the other amendments contained in the bill.

H. R. 2615 amends section 358 (c) to apportion the national peanut-acreage allotment, less the acreage to be allotted to new farms for 1951, 1952, 1953, and 1954, to States on the basis of the average acreage of peanuts harvested for nuts in each State during the 5-year period 1945-49, but specifies that no State shall receive an allotment less than would be determined if the national allotment were apportioned among States on the basis of final 1950 State allotments. The bill further provides that for 1951 no State shall receive an allotment less than the allotment already announced under existing legislation. These increases would be in addition to the national acreage allotment and marketing quota.

H. R. 2615 also contains a provision which would permit the Secretary of Agriculture to increase the State acreage allotments for those States producing types of peanuts for which it is determined that the supply will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it.

In order to indicate the probable effects of H. R. 2615, there is attached a table entitled "Peanuts: Indicated 1951 State Acreage Allotments Under H. R. 2615." This table indicates the approximate State acreage allotments which would be determined for the 1951 crop under the proposed bill. State acreage allotments for 1951 prior to probable increases for type would be as shown in column 7 of the attached table. If we assume a national acreage allotment for 1952, 1953, and 1954 of 1,771,117 acres, the same as the announced national allotment for 1951, State acreage allotments excluding possible "type" increases would be the same as the "First indicated 1951 acreage allotment" shown in column 5 of the attached table. In other words, the first proviso of the amendment to section 358 (c) (1) would result in increasing the national acreage allotment each year by approximately 3 percent over the national acreage allotment otherwise determined.

Although the major portion of this increase would be in States producing Virginia- and Valencia-type peanuts, there would also be some increase in allotments for other States producing primarily runner- and Spanish-type peanuts. The Department has no objection to the increase which would be brought about in allotments for States producing primarily Virginia or Valencia types. In fact, further increases for these States would be desirable. On the other hand, the Department objects to increasing allotments for those States producing principally runner and Spanish types, since such increase will tend to further increase the quantity of peanuts to be acquired by the Commodity Credit Corporation and which ordinarily will have to be disposed of at a loss to the Corporation.

The Department agrees with the purposes of the second proviso in the proposed amendment to section 358 (c) (1), since it would provide that in redetermining State acreage allotments for 1951, no State allotment would be established at a level below the allotment already determined and announced in accordance with existing legislation.

The proposed section 358 (c) (2) also is considered to be a desirable approach to the problem of apportionment of the national peanut-acreage allotment to States for 1955 and subsequent years.

The Department also agrees with the intent of the proposed section 358 (c) (3) which would permit increasing allotments for individual types of peanuts when it is determined that such increases are needed in order to meet the demand for such types. However, this subsection, as written, places the entire authority and responsibility for "type" increases with the Secretary of Agriculture, and we would prefer that the legislation contain specific provisions for increasing the allotment for Virginia and Valencia types of peanuts in much the same way as outlined in our letter of December 8, 1950.

The increases for type shown to column 8 of the attached table are simply illustrative and are based on the assumption that if the legislation were enacted the total allotment for the five principal States producing Virginia- and Valencia-type peanuts would be increased to the extent required to result in a total 1951 allotment for such five States equivalent to the final 1950 allotment determined for such States. The bill places no limit on the amount of increases for type and, in view of the fact that Virginia and Valencia types from the 1950 crop are in short supply, it is likely that larger type increases would be determined for 1951.

Subject to the objections outlined above, the Department recommends passage of the bill.

In view of the subsequent request that this report be submitted immediately, we

have not obtained advice from the Bureau of the Budget as to the relationship of the proposed legislation to the program of the President.

Sincerely,

C. J. MCCORMICK,
Acting Secretary.

Mr. Speaker, I include certain other information:

ONE BALE COTTON ON 4 ACRES—COST PRODUCER \$81.84 TO SELL IT

(Extension of remarks of Hon. LINDLEY BECKWORTH, of Texas, in the House of Representatives, Monday, February 26, 1951)

MR. BECKWORTH. Mr. Speaker, I include a letter in the CONGRESSIONAL RECORD I have received from Mr. H. R. Spivey. Farmers are being called on to produce more cotton. I am wondering if Mr. Spivey would be in the attitude to increase his acreage in view of the following language which was in a letter written to me December 15, 1950, by Mr. C. J. McCormick, Under Secretary of Agriculture. I quote the language:

"Therefore, if all farmers in a country should double their cotton acreage in 1951 over 1950, the 1952 farm allotments may be changed considerably or none at all or somewhere between depending on how farmers in the particular county vary their cotton acreage in proportion to cropland."

The above-mentioned letter follows:

BULLARD, TEX., February 6, 1951.
Hon. LINDLEY BECKWORTH,
Washington, D. C.

DEAR MR. BECKWORTH: I produced 1 bale of cotton on about 4 acres in 1950 and had to pay \$81.84 to sell it. Why? Because I didn't have and couldn't get a white selling card. This was a hard financial blow—a gross injustice—at the hands of the Production Marketing Administration. I realize that it wasn't the intention of anyone in that department to work a hardship of disaster proportions to a farmer anywhere. Still, because of red-tape regulations, I was compelled to suffer a serious financial loss.

I operate a very small farm on the cash-rent basis and grew 4 acres of cotton to help pay the rent. I planted without an allotment because I understood that you intended to help us get at least a minimum of 5 acres anyhow. But I guess the bigger growers got the extra allotments because I never could get a permit to plant a single seed. Still, after I learned all this, it was too late, as I had already planted 4 acres, and I let it go on through and make. I didn't think it right at all for any farm regulation to say to a man that he couldn't plant any cotton, and to a neighbor just across the fence to go ahead and plant a sizable crop.

Well, since the FMA classified this cotton crop of mine as non-tax-free, I had to pay the penalty. The injustice of it is what burns me up. I didn't overplant. Just trying to make a living on my few acres. Everyone around here said it was a dirty shame that such hardship could be worked on a man just because he grew and sold a bale of his own cotton without PMA's permit.

Mr. BECKWORTH, can you help me get this money refunded to me? I need it much worse than they do. I understand that hardship cases receive special consideration, and I would appreciate it greatly if you would do what you can to help me.

Thanking you, I am,

Sincerely,

H. R. SPIVEY.

INFORMATION ABOUT POSSIBLE 1952 ALLOTMENTS

(Extension of remarks of Hon. Lindley Beckworth, of Texas, in the House of Representatives, Friday, January 12, 1951)

MR. BECKWORTH. Mr. Speaker, I desire to include in the CONGRESSIONAL RECORD the let-

ter I have received from the Department of Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., December 15, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to questions which you raised in our telephone conversation of November 27, and also in reply to your letter of November 27, 1950, regarding what might happen to a particular county's cotton acreage allotment and the allotments for individual farms within the county, if cotton acreage allotments should be required in 1952.

In our letter of November 24, 1950, we outlined the present provisions of the Agricultural Adjustment Act of 1938, as amended, that would probably cause 1952 State and county cotton-acreage allotments, if required, to vary from those established in 1950 (in many cases the difference would be substantial) even if no change is made in the national acreage allotment in 1952 from 1950. This is true because of changes in base periods and in formulas provided in the act for apportioning the national allotment to States and the State acreage allotments to counties. We have also discussed with you in previous letters that the provisions of the act do not include the acreage planted to cotton in 1951 in the base for establishing 1952 State and county allotments and, therefore, will not affect them.

Since farm cotton-acreage allotments are determined primarily on a uniform county percentage of cropland, the acreage planted to cotton on a farm has little bearing on the allotment. The law provides that the acreage of cotton be used in determining minimum and maximum allotments in distributing the county allotment (less the acreage reserved by the county committee) to eligible cotton farms. Therefore, if all farmers in a county should double their cotton acreage in 1951 over 1950, the 1952 farm allotments may be changed considerably or none at all or somewhere between, depending on how farmers in the particular county vary their cotton acreage in proportion to cropland.

In view of the many factors affecting allotments as provided by law it is impossible to determine what the 1952 county and farm cotton acreage allotments would be, is required, until the provisions of the act have been applied in determining State, county, and farm allotments. Consequently, even though we assume that (1) there will be cotton-acreage allotments and marketing quotas in 1952, (2) the national allotment for 1952 would be the same as the 1950 national allotment, and (3) a particular farm or county plants exactly twice as much cotton in 1951 as was planned in 1950 it would still be impossible to determine the changes in any given county allotment or the farm allotments within a given county.

Sincerely yours,

C. J. MCCORMICH,
Under Secretary.

Mr. Speaker, I include several letters about peanuts and cotton:

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Wellington, Tex., May 31, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In reply to your letter of May 16, 1950, with reference to the peanut-acreage allotment for our country:

1. We have 109 farms with peanut allotments.

2. Producers in general should have at least 15 acres per farm in order to grow them economically.

3. There are 78 farms in the county that have an allotment of less than 15 acres.

4. We have 15 farms with less than 2-acre allotments.

5. All farms with less than 2-acre allotments will cease to grow peanuts.

6. Probably none of these producers will cease to farm for themselves, but will have to grow other crops for a livelihood.

7. We have 21 producers who applied for new-grower allotments.

8. A total of 27.3 acres were allotted to new growers of this county by the State committee.

9. On an average each new grower received 1.3 acres.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Quincy, Fla., May 26, 1950.
Mr. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In reply to your letter of May 12, 1950, we have 175 peanut producers in Gadsden County. The least number of acres a farmer can grow economically is usually 5 acres; 89 of these allotments are under 5 acres; 39 received less than 2 acres. Nearly all of these will quit growing peanuts for harvest. We have no way of knowing how many farmers will cease to farm for themselves on this account. It will cause some to do so. Seventeen new growers applied for peanut acreage this year—1950. We have 17.4 acres to distribute to them. These range from 0.5 to 1.7 acres. Trusting this is the information you desired, I am,

Yours truly,

BERNARD H. CLARK,
Administrative Officer, Gadsden
County, PMA.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Giddings, Tex., May 29, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR SIR: Reference is made to your letter of May 15 and we herewith enclose the following information:

1. Number of peanut farms in Lee County: 1,054.

2. The least number a farmer can afford to grow: 10.

3. Number of producers receiving allotments less than the above: 661.

4. Number of producers receiving allotments less than 2 acres: 174.

5. Number of producers who will cease to grow peanuts (approximate): 50.

6. Number of producers who will cease to farm for themselves (approximate): 25.

7. Number of producers who applied for new grower allotment, 1950: 72.

8. Number of acres to distribute to them: 109.7.

9. Approximate acreage for each new grower: 1.5.

Very truly yours,

WARREN D. MOODY,
Secretary, Lee County PMA.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Quitman, Tex., May 29, 1950.
Hon. LINDLEY BECKWORTH,
New House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: This is in reference to your letter, dated May 13, 1950, to the Wood County PMA Committee.

We have approximately 400 peanut producers in the county. The least number of acres each producer can afford to grow is 2 acres. We have about 150 producers who received allotments of less than 2 acres. Of those growers having allotments of less than 2 acres, there will be about 25 or 50 who will cease to grow peanuts. I do not believe there will be any cease to farm for themselves. The number of new producers were 35 and the number of acres distributed was 21.4 acres and the average to each was 0.6 of an acre.

The excess acreage (for soil) up to the 1947 picked and threshed will help at least 150 or 200 producers in Wood County.

Hoping the above is the desired information, I am

Yours very truly,

ROY E. BARNETT,
Secretary, Wood County PMA Committee.

DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT
ADMINISTRATION,
Allendale, S. C., June 1, 1950.
Mr. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: I am listing below the information requested in your letter dated May 18, 1950:

1. What is the least number of acres an average farmer can afford to grow or economically grow: 5.

2. How many producers received allotments less than the number of acres shown in 1: 135.

3. How many peanut producers received allotments less than 2 acres: 76.

4. Of the number of peanut farmers receiving allotments of less than 2 acres, how many will cease to grow peanuts: 50 percent.

5. Approximately how many will cease to farm for themselves: None.

6. How many new producers applied for peanut acreage this year (1950): 9.

7. How many acres were distributed to them: 18.6.

8. Approximately how much did each receive: 2.

Very truly yours,

HENRY B. BARKER,
County Administrative Officer, PMA.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Quitman, Tex., April 10, 1950.
Hon. LINDLEY BECKWORTH,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: This is in reference to your letter of April 5, 1950, to the county committee.

(1) The number of farmers receiving 5 acres of cotton or less was 1,248. (2) The number of new producers of that applied for allotments were 340. (3) The acreage that was available to distribute among the new producers was 300. (4) Each producer received from 1 to 1.1 acres. (5) The number of zero allotments were 10. (6) The percent of new producers regarded as genuine farmers was 88 percent (300) applications.

The number applications left from item 2 less item 5, less item 6, consisted of 30 applications that did not meet the necessary eligibility requirements.

If you desire further information, please advise.

Yours very truly,

ROY E. BARNETT,
Secretary, Wood County PMA.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Cross City, Fla., May 31, 1950.
Hon. LINDLEY BECKWORTH,
Congressman, Third Congressional
District of Texas,
Washington, D. C.

DEAR CONGRESSMAN: Reference is made to your letter of May 12 relative to peanut producers in Dixie County, Fla. Dixie County is primarily a livestock county and most of the farmers produce peanuts for hog feed. However, we do have some 20 farmers who grow peanuts for digging. Of these 18 have less than 2 acres allotment. It is the general thinking of the average farmer that they cannot economically dig and pick less than 5 acres. Of the number of farmers having less than 2 acres allotments none will cease growing peanuts but about 75 percent of them will not dig. We had no new producers applying for acreage this year but the reason for this was that when told the probable size of new grower allotments those that were interested decided that it would not be worth the trouble of filling out the forms.

Trusting that this is the information that you desire, I am,

Very truly yours,

CLARENCE L. DICKINSON,
County Agent.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Burnet, Tex., May 29, 1950.

To: Hon. LINDLEY BECKWORTH, House of Representatives, Washington, D. C.

From: Raby A. Alford, secretary, Burnet County PMA.

Subject: Information requested in letter of May 13, 1950.

Information as requested is listed below:

What is the least number of acres average peanut producer can afford to grow: 5.

How many producers received allotments less than acreage mentioned above: 7.

How many of your peanut farmers received allotments of less than 2 acres: 2.

How many of this number (receiving allotments of less than 2 acres) will cease to grow peanuts: 2.

How many will cease to farm for themselves: None.

How many new producers applied for peanut acreage in 1950: 2.

How many acres did you distribute to them: 4.7.

Approximately how much did each receive: 1.5 and 3.2.

OFFICE OF THE MAYOR,
CITY OF KILGORE, TEX.,
September 30, 1950.

Hon. LINDLEY BECKWORTH,
House Office Building,
Washington, D. C.

DEAR LINDLEY: Enclosed is a photo copy of a cotton notice to Tommie N. Nixon, who resides near Kilgore, which is self-explanatory.

I think it a shame and disgrace to penalize this man—or any other person of like status—for growing three bales of cotton on a little old worn-out east Texas farm, especially in the face of such a short cotton crop throughout the Nation this year, and with a big demand for cotton. We here in Kilgore can't buy sheets for our new hospital because of shortages of sheets on the market.

I have known Tommie for 30 years or more. During all these years he has been trying to eke out a living raising whatever crops and stock he could in order to live—not make money. He lives outside the oil field and has no income from that source. As I understand it, he didn't grow any cotton for perhaps 1 or 2 years and for that reason was refused a quota for this year.

In view of the fact there is every indication now there will be no restrictions on planting cotton in 1951; the short crop this year and the high cost of living for these poor farmers, I see no reason why these restrictions can't be lifted now and give these people the relief so badly needed.

What can you do about it now?

Regards and best wishes.

Sincerely,

ROY H. LAIRD.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Burgaw, N. C., May 26, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR HONORABLE BECKWORTH: This is in reply to your letter of May 18, 1950. The following is a list of the questions and answers requested in your letter:

1. The number of peanut producers in Pender County: 335.

2. Number of acres of peanuts a producer can grow economically: 5.

3. Number of allotments less than 5 acres in county: 185.

4. Number of allotments in county less than 2 acres: 56.

5. Number of allotments in county less than 2 acres which will not be planted: None.

6. Approximately how many will cease to farm for themselves: None.

7. Number of producers who applied for new allotments in Pender County in 1950: 11.

8. How many acres did we have to distribute to them? We did not have any acreage to distribute to them as the distribution of acreage is done in Raleigh for new growers.

9. How many acres did the new growers receive in Pender County: 3.

Very truly yours,

T. W. GARRISS,
Secretary, Pender County PMA.

THE LIBRARY OF CONGRESS,
Washington, D. C., October 4, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: We have tabulated the information on the number of farmers who received cotton acreage allotments of less than 5 acres which you requested in our recent telephone conversation and your note of September 26.

A summary of this information taken from the letters published in the CONGRESSIONAL RECORD of July 26, July 31, September 22, and September 23 shows the following:

Number of allotments of less than 5 acres reported.....	22, 145
Those who will grow no cotton:	
Number	4, 453
Percent	20
Those who will quit farming:	
Number	878
Percent	4

I am returning the CONGRESSIONAL RECORDS and am enclosing the listing sheets as you may be interested in reviewing the individual items.

Sincerely yours,

WALTER W. WILCOX,
Senior Specialist, Agriculture, Legislative Reference Service.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Henrietta, Tex., June 1, 1950.
LINDLEY BECKWORTH,
Washington, D. C.

DEAR MR. BECKWORTH: There are 42 peanut producers in Clay County. About 3 acres is the least number of acres a farmer can afford to grow. There were 13 producers in this county that received allotments of less

than the 3 acres mentioned above. There were 6 producers that received allotments of less than 2 acres. Peanut farmers receiving allotments of less than 2 acres, will cease to grow peanuts commercially but will grow some for home use. None will cease to farm for themselves. There were 13 new producers that applied for peanut acreage in Clay County in 1950. New grower reserves were retained in the State office. All new growers received a total of 13.4 acres.

Yours truly,

ERMON D. WILLIAMS,
Secretary, Clay County PMA.

[From the Farmer-Stockman of November 1950]

TALKS WITH OUR READERS

(By Ferdie J. Deering, editor)

The futility of Government attempts to control crop production through acreage allotments is demonstrated again in the 1950 cotton-crop failure. So, for 1951 at least, there won't be any acreage controls on the cotton crop.

The breakdown of the allotment system might be glossed over by designating last spring's "cotton surplus" as a "national reserve" this fall. But that won't keep farmers from regarding last spring's red tape in the form of red ink this fall. What does it matter if cotton sells for 40 cents a pound if you lost your crop to bugs, bad weather, and bureaucrats?

Farmers planted only about 18,000,000 of the 21,000,000 acres allotted this year, in spite of clamor for larger allotments in some areas. Texas in 1949 grew about one-third of the Nation's cotton, so drew a big cut in acreage this year. But farmers planted 8 percent less than allotted. Oklahoma, with a small allotment, failed by about 19 percent to get it all planted.

A survey by Texas Congressman LINDLEY BECKWORTH revealed that one reason was that, all over the Cotton Belt, thousands of farmers received less than 5 acres cotton acreage allotment. Many of these planted no cotton.

In Oklahoma, 384 of LeFlore County's 2,097 cotton growers had less than 5 acres. In Stephens County 305 had 5 acres or less, in Atoka County 659 growers were assigned less than 5 acres. In Carter County, where Ardmore was once a major inland cotton market, 154 of the 735 old cotton growers had under 5 acres. The list could be extended in Texas, Tennessee, Arkansas, or Mississippi.

The allotments didn't cause the main reduction in cotton yields, though. Bad weather in many areas, and heavy insect damage in most sections cut yields so that farmers grew only about 10,000,000 bales of cotton, much less than our usual needs. Most of the 1948 and 1949 loan cotton has moved into trade. We need a cotton crop in 1951 to avoid a cotton shortage. Until Government can control the weather, it can't control crop production.

Commentators have a lot to say about Government losses on price-support programs. Some of it is true. Part may be easily misinterpreted.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. EDWIN ARTHUR HALL. During the debate in which I participated a leading question was asked which implied that I was attempting to join in this program of subsidies, and that I was out of step with some of the people in up-State New York in so doing.

I want to emphasize the fact that I led the fight here last year against this

program, and I expect to keep right on doing it.

Mr. FULTON. May I answer the gentleman from Texas [Mr. POAGE] on his statement that I did not explicitly say that the program lost \$40,000,000 last year. I now explicitly so state without any inference about it, and say that the gentleman from Texas is completely wrong when he says the Government did not lose \$40,000,000. I say that he is wrong in order that the issue will be plain as to the cost of this program to the taxpayers on the last year there are complete records. I cite for my authority the testimony of Mr. Frank K. Woolley, Deputy Administrator, PMA, that administered the program, where he says on page 11 of the hearings before the Agriculture Committee, "As a result of the 1949 program we"—meaning the PMA—"lost approximately \$40,000,000 in supporting the price of peanuts."

Mr. POAGE. Will the gentleman yield for a correction of what he said?

Mr. FULTON. I will.

Mr. POAGE. We were referring to last year, which is 1950. If the gentleman will read Mr. Frank Woolley's testimony he will find that he spent about \$5,000,000, and thinks he may spend as much as \$16,000,000 on the 1950 crop, which was last year. You are referring now to the 1949 crop, which was not last year.

Mr. FULTON. I will accept that date as a correction. But he said in the 1950 program, that the loss will be \$20,000,000, which is simply an estimate as of today. The point of difference between us is this, that when I speak of last year, it is the last year on which there are complete figures for the loss, so that the last year of the peanut program is actually the 1949 crop. The crop was then marketed after it was grown and harvested. The marketing procedures were handled by the Department of Agriculture, which came up with a loss of \$40,000,000 for the past year. The current year is 1950 and the figures are an estimated loss of \$20,000,000. The loss on these market operations will be reached in 1951. The gentleman can readily see and certainly cannot deny that there was an actual loss of \$40,000,000.

Let us go a little further. This bill gives a carte blanche without any limitation to the Secretary of Agriculture. There are no rules of procedure set up in this bill. There is no formula or policy by which the Secretary of Agriculture must operate. He can set the acreage in any way that he wants within the program. Actually he can divide the program among the States, or he can divide it up among the various types of peanuts as he alone wants without any supervision or without Congress saying on what principles he shall do it.

I agree with the previous speaker, the gentleman from Texas, who felt that this bill is an abdication of the right of the Congress to see that there is free enterprise on the farms just as there is in business.

In addition to that this bill gives unlimited discretion to the Secretary over all types of peanuts without exception.

At the top of page 10 of the Agriculture Committee hearings the chairman says:

As I understand the present law it is applicable to all types of peanuts, when the Secretary feels it necessary, desirable, or expedient to reduce the acreage of peanuts and issue a proclamation calling for reductions applicable to all types of peanuts in all areas; is that true?

And Mr. Woolley answered:
That is correct.

That means this is a program, part of which is based on the principle of expediency. Expediency is a very weak reason for action by any Government official. There is nothing that the Secretary of Agriculture has to guide him in this bill, and it can cost the taxpayers of this country, not \$20,000,000, which he estimates in this year, but \$40,000,000 or \$100,000,000. There is no stated limit on the possible bleeding of the Treasury under this bill which can take place during the next fiscal year.

As a Representative speaking the point of view of the taxpayers, and the consumer, I believe we should hear on this floor more from the people who are going to pay for these subsidy, acreage-allotment, and marketing programs. We do hear the Representatives speaking for the producer groups who have these production programs at heart, but in addition the other factors and groups should be considered. I want the peanut farmers in this country to succeed and get a good price for their product, but I think there should be some limitation on the amount that is to be asked from the Public Treasury for such subsidies. If the bill is intended as an insurance policy, or if it is a policy to protect the small farmer, then there should be a limitation that the benefits or the subsidy be not paid to people who have large incomes. There is no doubt there is a fine market at this time for peanuts—so why do we need to keep pushing up prices to the consumer at this time of emergency and adding more to the burden the taxpayers have to pay which is already so heavy for necessary defense needs. We should cut all nondefense expenditures to the bone. I ask that the bill be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YORTY].

Mr. YORTY. Mr. Chairman, my interest in this bill stems from the fact that I have a ball park in my district where they consume a considerable quantity of peanuts.

Inasmuch as the gentleman handling the bill suggested that if we would like to understand it we should read the report. I have been reading the report, and I notice in the letter from the Secretary of Agriculture, contained in the report, it says, "Subject to the objections outlined above, the Department recommends passage of the bill."

I would like the gentleman handling the bill to tell me whether or not these objections have been met? I am not asking for an explanation if they have not, because I do not want all my time taken up, but I would like to know if

the objections referred to by the Acting Secretary, Mr. McCormick, have been met in the wording of this bill, as presently written?

Mr. COOLEY. The objections raised here were that they did not want to add anything to the total national allotment this year. You cannot create an equitable situation without either adding to the national allotment or reducing to some State the allotment promised by the Department in December. We felt it would be inequitable to violate the promise made in December, and we felt that the sound thing to do was to bring everybody under absolute equality and then in future years we could bring them all up or down together.

Mr. YORTY. Then the answer is "No," as I take it.

Mr. JAVITS. Mr. Chairman, if the gentleman will yield, the answer is obviously "No" because the objection is they are extending this program on the acreage to Spanish-type peanuts which are in enormous supply and which the Commodity Credit Corporation is stuck with, which is just the question that they could not answer to me a little while ago.

Mr. YORTY. I thank the gentleman. I was hoping to get a direct answer. I notice in the letter it also states:

However, this subsection, as written, places the entire authority and responsibility for type increases with the Secretary of Agriculture, and we would prefer that the legislation contain specific provisions for increasing the allotment for Virginia and Valencia types of peanuts in much the same way as outlined in our letter of December 8, 1950—

A letter which I have not read.

I take it that that is one of the objections; that the Secretary was given too much authority—that is one of the objections.

If I read the bill correctly, it was not met. I was hoping to have enlightenment and not evasion when I asked the question, because I have turned to the section in the bill referred to, and if I read it correctly, from my study of law, the Secretary, by this wording, still has the authority to which the Secretary of Agriculture objected.

The gentleman from Pennsylvania [Mr. FULTON] was told that he ought to think the matter through. I want to read here the language in the report, and I hope I will have time to finish reading it:

The foregoing clearly discloses that the various States producing peanuts have shared in the 1950 national allotment and—unless the law is modified—will share in the 1951 national allotment upon different bases. In 1950 some of the States received allotments on the basis of 5-year history. Other States received allotments based upon their 1941 State allotments.

Still other States received allotments upon the basis of 60 percent of the acreage harvested in such States in 1948. This same formula, in substance, will be in effect in 1951, because each State in 1951 will receive its allotment based upon its original 1950 allotment. In 1951, however, the national allotment has been proclaimed at a level substantially below the 1950 allotment of 2,100,000 acres, and States producing Virginia-type peanuts which are in short supply will have to take substantial reductions

because the minimum allotment provisions are no longer directly operative when the national acreage allotment falls below 2,100,000 acres. Thus, in effect, while attempting to bring about an over-all balance in supply and demand, shortages in the production of certain types of peanuts are likely to result.

I do not think I have to read any more to show you that you would have to read very carefully through a report of this kind to be able in a short time to understand anything more than that probably the people who originally went to the Government and asked them to interfere in their affairs and to set up this program are the ones who did not think it through. They set up a group of different formulas which they are changing from time to time and by which they have not only confused themselves but that they are confusing the Congress.

I think the gentleman from Mississippi made a very good statement when he implied that we needed to take off the control of edible-type peanuts. It seems to me the simple thing to do would be to take the edible-type peanuts completely out of the program. I cannot have any sympathy with those coming here and asking for price supports at one time and the control of acreage, and then, when they get a little higher price, they come back and want the acreage increased; and at the same time still want price supports to stand. If you want to increase the acreage, why do you not remove price supports on this particular type of peanuts, and you will settle this whole controversy in a much simpler way.

The CHAIRMAN. The time of the gentleman from California [Mr. YORTY] has expired.

The gentleman from Mississippi [Mr. RANKIN] is recognized.

(Mr. RANKIN asked and was given permission to revise and extend his remarks.)

Mr. RANKIN. Mr. Chairman, the gentleman from Texas [Mr. BECKWORTH] told of a farmer who was fined \$100 for raising and selling one bale of cotton. The gentleman from New York [Mr. EDWIN ARTHUR HALL] told you of the conditions that prevail among the small dairy farmers in his district.

I represent as many small farmers, probably, as any other Member of this House. The average farm in my county is about 60 acres. We have one of the finest dairy counties in the South. Some portion of the district I represent is sandy land, and last year the cotton acreage was reduced so low that some of those small farmers could not make enough cotton to pay their taxes. They were virtually driven from their fields; and were then robbed of about a hundred dollars a bale on what cotton they did make, as a result of the Brannan order.

Thomas Jefferson, one of the wisest statesmen this world has ever produced, warned the American people that if the time ever came when the Government could tell the farmer "when to sow and when to reap, the Nation will want bread."

This legislation is to limit the production of peanuts to certain areas. Do not kid yourselves about it. The same thing is being done with tobacco-growing. The next thing they will probably be regimenting the soybean growers, and the growers of wheat and corn, and the dairy farmers, and every other farmer in America. They are all subject to regimentation under this program.

The thing to do is to recommit this bill and let the Committee on Agriculture bring out a bill stopping this entire program of regimentation. Then the price of cotton will rise to its normal level.

I am just in receipt of the information as to the price of cotton here in the United States, as fixed by the powers that be, at 45.76 cents a pound. In Mexico, on the same day, it was 64.98 cents a pound, or \$96.10 a bale higher than it was in this country.

In Brazil the price was 73.21 cents a pound, or \$137.25 a bale higher than it was in the United States.

In other words, the cotton farmers of this country are being robbed of \$96.10 a bale, as compared with the market in Mexico, and \$137.25 a bale as compared with the market in Brazil. I am informed that Mexico has more than doubled her cotton acreage since this regimentation of the American cotton farmers began, and that Brazil is rapidly expanding her acreage.

If this crazy program is continued, the little cotton farmers of this Nation may find themselves reduced to economic slavery, or driven from their own fields.

It is time for Congress to wake up and turn back this fanatical trend toward complete regimentation of the American farmers, before it is too late.

The CHAIRMAN. The gentleman from Massachusetts [Mr. HESELTON] is recognized.

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, if one thing has been demonstrated through this debate, it is that if we are not confused there is plenty of uncertainty and contradiction. I think this bill should be recommitted to the committee in the hope that we can have a better and more comprehensive program worked out.

I was not able to obtain from the chairman of the committee, because of the limitation of time, an answer to the question I asked in general debate as to whether or not we could not expect

sometime in the future, in the immediate future, a program for additional acreage for cotton and other commodities indefinitely.

Mr. COOLEY. Does the gentleman want an answer?

Mr. HESELTON. I do; I asked the question in all sincerity and seriousness.

Mr. COOLEY. The gentleman referred to cotton and asked if we would bring in a bill increasing the acreage allotment. The answer to that is that we do not intend to bring in any bill increasing the acreage on cotton because at the present time there are no controls on the production of cotton. We are trying to persuade the cotton farmers to double their output, to produce about 60 percent more cotton this year than they did last year.

Mr. HESELTON. All right. May I ask if there will be any additional legislation as far as the gentleman can anticipate during this session of Congress involving increasing acreage of other commodities?

Mr. COOLEY. None is contemplated as far as I know.

Mr. HESELTON. All right; we have gained something by that statement.

The assertion has been made this afternoon that last year \$40,000,000 and this year \$20,000,000 has been the cost of the peanut program. Let me read from the testimony of Mr. Woolley:

As a result of the 1949 program we lost approximately \$40,000,000 in supporting the price of peanuts, and it is our estimate that we will lose in the neighborhood of \$20,000,000 on the 1950 program. We do not believe that we should be in favor of legislation which will result in continuing losses to the Corporation at a time when we have a very strong demand for certain types of peanuts.

Some of the confusion here today may arise from the use of figures for crop years and fiscal years. I have the figures of the Commodity Credit Corporation for the fiscal year ending June 30, 1950. It shows on both shelled peanuts and farmers' stock a total loss of \$41,725,066.30. I also have the figures on these commodities for the first 6 months of fiscal 1951, and they show a total loss of \$4,922,349.51.

This comparatively satisfactory figure is to be considered in the light of the fact that there was a gain on the sale of farmers' stock of \$1,374,888.40. It certainly should be important that the gross loss on shelled peanuts during this period was \$6,124,025.93.

I think it will be important, not only in the consideration of this bill, but for the Record and in terms of the necessity of considering any further legislation in this field to have a tabulation placed in the Record covering these transactions in peanuts for fiscal 1949, fiscal 1950, and the first 6 months of fiscal 1951. It is as follows:

	Purchases	Sales	Loss on disposition	Carrying charges	Total loss
Fiscal 1949:	<i>Pounds</i>	<i>Pounds</i>			
Shelled peanuts.....	586, 745, 651	613, 155, 381	\$14, 771, 203. 39	\$1, 850, 542. 71	-----
Farmers' stock.....	312, 818, 152	179, 026, 795	5, 036, 417. 37	866, 735. 27	-----
Total 1949.....			19, 807, 620. 76	2, 717, 277. 98	\$22, 524, 898. 74
Fiscal 1950:					
Shelled peanuts.....	497, 756, 679	553, 929, 404	37, 991, 787. 84	827, 113. 36	-----
Farmers' stock.....	74, 505, 263	75, 388, 698	2, 598, 283. 30	307, 881. 80	-----
Total 1950.....			40, 590, 071. 14	1, 134, 995. 16	41, 725, 066. 30
Fiscal 1951 (first 6 months):					
Shelled peanuts.....	110, 803, 328	110, 803, 321	6, 124, 025. 92	+42. 26	-----
Farmers' stock.....	166, 085, 120	139, 819, 326	+1, 374, 888. 40	173, 254. 25	-----
Total first 6 months 1951.....			4, 749, 137. 52	173, 211. 99	4, 922, 349. 51
Total.....					69, 172, 314. 55

The gentleman from California said that the committee does not carry out the recommendation of the Department of Agriculture as to this legislation. That may not seem to be a substantial sum of money in the minds of some, but it is a very substantial sum of money in the minds of people who are going to pay their income tax on March 15. If we have not all of us heard of that, if we have not all of us had complaints about the spiraling cost of food for the American people, we will receive those complaints in increasing numbers. I insist that if it is only a million dollars it is about time that this Congress took a look at this whole program. If it can be justified, there will be almost unanimous support for it. But I insist there has never been presented anything except a piecemeal program. Last session we had it for peanuts; we had it on tung oil and honey. I hope the chairman is right that we are not going to continue to have this incidental cumulative program. I think the time has come when the American taxpayers, the American consumers—and they include the American farmers—will follow the example of the farmers in the northeastern part of this country, who are getting what I think is a bad deal out of this program. It is about time that we faced the realities of life. I propose to submit a motion to recommit and although I am not under any illusions about it this afternoon, I hope enough Members will support it so that the bill can go back for an overhauling of the whole program. If we do not do this, but continue to tolerate this piecemeal method of meeting the problem, then this Congress is going to be forced to do something and what I suggest it may be forced to do is to wipe any program off the books. That I think would be disastrous as far as agriculture is concerned. And eventually equally disastrous as far as the American economy and the American consumers are concerned.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is there anything about this bill that the gentleman does not understand?

Mr. HESELTON. Yes.

Mr. COOLEY. Does he have any questions?

Mr. HESELTON. I have pointed out some. There are plenty of Members on the floor who have indicated they do not understand it. Why did the committee not follow out the recommendations of the Department of Agriculture? How many pounds did the Department of Agriculture purchase and sell in fiscal 1950? Six hundred and twenty-nine million three hundred and eighteen thousand one hundred and two pounds. These are a lot of peanuts. Surely no one will care to argue that Government transactions in that volume have no effect upon the price of peanuts to the consumer. Moreover, the total loss to the American taxpayer in that year on these transactions was, as I have said, \$41,725,066.30. The relationship between the operation of this program and the cost of living is transparently obvious. It is true that there seems to have been a slowing down of the program in the first 6 months of fiscal 1951. But the Commodity Credit Corporation is so slow about getting out a report on these transactions that none of us can be certain of what we are being asked to do here this afternoon. I have tried repeatedly during the last few days to obtain the report for the month of January. This is March 7 and my office was advised yesterday that the report would probably not be back from the printer until the end of the week. I have repeatedly stated that no business concern could possibly operate under such unbusinesslike and uneconomic procedures.

Perhaps the most difficult thing to understand is why, when the Acting Secretary of the Department advised the chairman of the committee in his letter of February 19 that—

On the other hand, the Department objects to increasing allotments for those States producing principally runner and Spanish types, since such increase will tend to further increase the quantity of peanuts to be acquired by the Commodity Credit Corporation and which ordinarily will have to be disposed of at a loss to the Corporation.

We should be asked to approve a bill which will surely accomplish the very undesirable result mentioned by the Acting Secretary. It is clear to me that Congress must accept its own responsibility as to approving or disapproving portions of a program which has piled onto the shoulders of the American taxpayers substantial losses. I have listened to the

explanations as to why this objection was not recognized, but they do not seem reasonable to me.

I can think of nothing more appropriate for us to consider during these few minutes before we vote than three sentences from the monthly economic letter of the Northeast Farm Foundation, which I quoted in full earlier this afternoon:

Now, however, the farmers of New York State feel that their enterprise can and should stand on its own feet. They believe that it is time to balance the national budget and gird the national economy for whatever may come. They believe that all groups should now put country ahead of self-interest, and they are prepared to back up this sentiment by example.

I think these farmers in the Northeast are completely right, and that we in Congress have an even greater obligation at this time to do everything we can to eliminate any program which cannot be fully justified in order that the national budget may be brought into balance as far as possible and that the national economy can be girded for whatever may come.

In terms of the over-all program with reference to the purchase, storage, and sale of food commodities, particularly those liable to spoilage, there is much more information which I think we should consider. I shall attempt to put that together when the January report of the Commodity Credit Corporation is available and to present it here on the floor.

The CHAIRMAN. The gentleman from Minnesota [Mr. McCARTHY] is recognized.

Mr. McCARTHY. Mr. Chairman, as a member of the Committee on Agriculture I have attempted to consider in the deliberations on this bill the interest of the consumer and the interest of the taxpayer. We ought to get one thing straight in the beginning and that is that this bill proposes to increase the acreage on so-called edible peanuts, which are in short supply. It is true that it cost \$20,000,000 to support peanuts in 1950, but only \$1,500,000 was spent in support of edible peanuts and that was in support of the No. 2 edible peanut which could not be consumed and had to be crushed for oil.

The proposition here is not whether we shall have a peanut-support price or have no peanut-support price. It is a question of whether we shall have more edible peanuts at lower prices or a scarcity of edible peanuts at high prices. Those of you who purport to represent the consumers should be in favor of this bill. The effect of it should be to reduce the cost of peanuts to the consumer. If normal crop conditions prevail and if the Secretary of Agriculture's estimates are reasonably accurate, that will be the effect of it.

As I said earlier, if we want to change the parity program and to remove peanuts from the basic commodity list, which I think should be done, I will support such action. This particular bill cannot do that. The effect of the bill should be to reduce the cost of edible

peanuts and, if it is effective, it should not cost the Government under the very worst conditions more than \$100,000 or \$200,000, and that would be after it had greatly reduced the cost of peanuts now selling above the support price to the consumer.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from New York.

Mr. JAVITS. What does the gentleman say about the statement of the Department of Agriculture that this will expand the acreage for the Spanish-type peanuts that are now in enormous surplus?

Mr. McCARTHY. It is correct. The bill does expand the acreage of Spanish peanuts. It expands that acreage by approximately 2,000 acres, which is insignificant. The argument of the Members who have spoken regarding equity in adjusting the acreage between various States I think carries sufficient weight to overcome this objection.

Mr. JAVITS. When you come to reviewing the Agricultural Adjustment Act of 1949 and the whole basic philosophy involved, will an opportunity be afforded representatives of consumer districts to make their point of view known to the committee?

Mr. McCARTHY. I assure the gentleman from New York that I will present their position if no one else does.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to say to gentleman from New York and to gentlemen from metropolitan districts in this House that we will welcome an expression of your views at any time legislation is being considered. I think it would be in the interest of the welfare of the country if some of the people from city districts would come to the Committee on Agriculture and express their views rather than wait until the last minute when legislation is being considered on the floor of the House.

Mr. JAVITS. If the gentleman will give us an opportunity, when basic legislation is being considered, I for one will be more than glad to come and discuss that matter with the committee.

Mr. McCARTHY. I may say to the gentleman from California, who spoke earlier in regard to the Department of Agriculture, objections and his suggestions about the Secretary's having a responsibility for making decisions in regard to allotments, that that objection was not presented very seriously to the committee. I think it was understood by the Department that just what happened in the bill was likely to happen, and that the bill provides the only practicable way of handling the problem of adjustments.

The CHAIRMAN. The gentleman from North Carolina [Mr. Cooley] is recognized.

Mr. COOLEY. Mr. Chairman, I think it is significant that this bill comes before the House with the unanimous approval of the Committee on Agriculture of the House. I do not know of a

single Republican member of our committee who is opposed to this measure. I do not know a single Republican member on our committee who has any peanuts in his district at all. That part of the bill which the gentleman from Massachusetts [Mr. HESELTON] objects to has actually, in fact, been approved by this House on one occasion, last year, to correct these same inequities. This House approved a substantially similar measure. Now, it is rather strange to me that those of us who have been on that committee for 10, these many years, should be indicted here on the floor of this House by a gentleman who has been here in Congress for about 60 days. A new Member, of course, has a right to his own views.

Mr. HESELTON. Mr. Chairman, will the gentleman yield—regarding the statement that the gentleman made with reference to the passage of the legislation at the last session?

Mr. COOLEY. Yes; I yield.

Mr. HESELTON. There were a considerable number who voted against that legislation. I would not want the gentleman to leave the impression that it was unanimous.

Mr. COOLEY. I do not know how the gentleman voted.

Mr. HESELTON. I voted against it.

Mr. COOLEY. The gentleman is against just about everything that the Committee on Agriculture brings out. I recall many bills that he opposed coming out of our committee. I want to make the point that this bill is not sponsored by the Democrats on our committee. It is absurd for Members on the Republican side to intimate any such thing.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I do not believe the gentleman meant to say that anyone who is a new Member of the House should be, because of that fact, less listened to or less weight given to his argument.

Mr. COOLEY. The gentleman knows that I did not mean to reflect upon any of the new Members of the House. I only mean to emphasize the fact that the members of our committee have worked on this farm program for many long years and we have worked without respect to either personalities or politics. For instance, the distinguished gentleman from Kansas [Mr. HOPE], a former chairman of the committee, has worked on this program from its inception and has rendered great service on the committee for the past 20 or 25 years. Certainly Members of the House who have personally participated in the preparation and passage of the numerous bills which have been enacted and which together make up the Federal farm program should be somewhat more familiar with its operation than some new Member who has served here for only 60 days. It is difficult for me to understand how anyone would feel justified in criticizing the program and in criticizing this bill and then refuse to yield for questions or

to afford other Members an opportunity to answer questions which are propounded. I only want to say that such arguments, views, and contentions should not weigh very heavily with the Members of the House.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. It occurs to me that possibly one of the reasons that we have new Members of the House is because of the fact you have followed that program for 20 years.

Mr. COOLEY. I do not think the gentleman is correct in that because this program has not been involved in partisan politics.

Mr. SEELY-BROWN. I am sure it has not.

Mr. COOLEY. Does the gentleman say it has not?

Mr. SEELY-BROWN. I do not suggest that it is partisan politics, but I know that some of us are anxious to improve our farm program, and that is why we were sent here.

Mr. COOLEY. I do not object to the gentleman being sent here, I assure you, and I have no objection to anyone expressing their views. I know that last year or 2 years ago the farm program got into partisan politics. I think it was one of the most unfortunate things that could possibly have happened. I think it is just as necessary to keep the farm program out of politics as it is foreign policy.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The gentleman spoke about that bipartisan business; did he not?

Mr. COOLEY. Yes.

Mr. HOFFMAN of Michigan. Does the gentleman not think that that may be the cause why we have some new Members with us—too much bipartisanship? That is, you have taken some of us into camp too long.

Mr. COOLEY. Maybe so.

Coming back to this thing, let me say this. The gentleman from Mississippi [Mr. RANKIN] has talked as if this is something that was localized. Peanuts in my district are not very important as a cash crop, but they are of considerable importance in other sections of my State and in other sections of the country where people are depending upon the production of peanuts for a livelihood.

Mr. RANKIN. In other words, there are two crops included in this closed-shop program: One is tobacco growing, and the other is peanut growing.

Mr. COOLEY. Why does not the gentleman introduce a bill to repeal it?

Mr. RANKIN. The gentleman has already introduced a bill to stop this stamping on the cotton farmer.

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time has expired.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee

of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended, pursuant to House Resolution 148, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HESELTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HESELTON. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HESELTON moves to recommit the bill H. R. 2615 to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. HESELTON) there were—ayes 49, noes 63.

Mr. HESELTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 174, nays 212, not voting 47, as follows:

[Roll No. 13]

YEAS—174

Adair	Crawford	Hillings
Addonizio	Crosser	Hoffman, Ill.
Allen, Ill.	Crumpacker	Hoffman, Mich.
Anderson, Calif.	Curtis, Mo.	Hull
Angell	Davis, Wis.	Hunter
Arends	Denny	Irving
Auchincloss	Dollinger	James
Ayres	Dondero	Javits
Baker	Donovan	Johnson
Baring	Eaton	Jonas
Bates, Mass.	Eberharter	Judd
Beamer	Elston	Kean
Bender	Feighan	Kearney
Bennett, Mich.	Fellows	Kearns
Betts	Fenton	Keating
Bishop	Fine	Kelley, Pa.
Blackney	Fogarty	Kelly, N. Y.
Boggs, Del.	Ford	Kersten, Wis.
Bolton	Fulton	Klein
Bosone	Furcolo	Kluczynski
Bow	Gavin	Latham
Bray	George	Lesinski
Brownson	Goodwin	McConnell
Buchanan	Gordon	McCulloch
Budge	Graham	McDonough
Buffett	Green	McGrath
Bush	Greenwood	McGregor
Byrnes, Wis.	Gwinn	McVey
Canfield	Hale	Machrowicz
Case	Hall	Mack, Ill.
Chiperfield	Edwin Arthur	Mack, Wash.
Chudoff	Hall	Mason
Church	Leonard W.	Meador
Clemente	Halleck	Merrrow
Clevenger	Hand	Miller, Nebr.
Cole, Kans.	Harden	Morano
Corbett	Harrison, Wyo.	Morton
Cotton	Heseltun	Mumma
Coudert	Hess	Nelson

Nicholson	Roosevelt
Norblad	Sadlak
O'Brien, Ill.	St. George
O'Hara	Saylor
Patterson	Schwabe
Potter	Scott,
Poulson	Hugh D., Jr.
Prouty	Scrivner
Quinn	Scudder
Radwan	Seely-Brown
Ramsay	Shafer
Rankin	Sheehan
Reams	Short
Reece, Tenn.	Simpson, Pa.
Reed, Ill.	Sittler
Rees, Kans.	Smith, Kans.
Ribicoff	Smith, Wis.
Riehlman	Springer
Rodino	Stefan
Rogers, Mass.	Taber
Rooney	Thomas

NAYS—212

Abbitt	Fernandez	Miller, Md.
Abernethy	Fisher	Mills
Albert	Flood	Mitchell
Allen, Calif.	Forand	Morgan
Allen, La.	Forrester	Morris
Andersen,	Frazier	Moulder
H. Carl	Fugate	Multer
Andrews	Garmatz	Murdoch
August H.	Gary	Murray, Tenn.
Armstrong	Gathings	Norrell
Aspinall	Golden	O'Neill
Bailey	Gore	Ostertag
Barden	Gossett	O'Toole
Barrett	Granahan	Passman
Bates, Ky.	Granger	Patman
Battle	Grant	Perkins
Beckworth	Gregory	Phillips
Belcher	Gross	Pickett
Bennett, Fla.	Hagen	Poage
Bentsen	Hardy	Polk
Berry	Harris	Preston
Blatnik	Harrison, Va.	Price
Boggs, La.	Harvey	Priest
Bolling	Havenner	Rabaut
Bonner	Hays, Ark.	Rains
Bonner	Hébert	Regan
Bramblett	Hedrick	Rhodes
Breen	Heffernan	Richards
Brooks	Heller	Riley
Brown, Ga.	Herlong	Roberts
Brown, Ohio	Hill	Robeson
Bryson	Hoeben	Rogers, Colo.
Buckley	Holmes	Rogers, Fla.
Burdick	Hope	Rogers, Tex.
Burleson	Horan	Sasser
Burnside	Howell	Secrest
Busbey	Jarman	Shelley
Butler	Jenison	Sheppard
Camp	Jenkins	Sieminski
Cannon	Jensen	Sikes
Carlyle	Jones, Ala.	Simpson, Ill.
Celler	Jones, Mo.	Smith, Miss.
Chatham	Jones,	Smith, Va.
Chelf	Hamilton C.	Spence
Chenoweth	Jones,	Staggers
Cole, N. Y.	Woodrow W.	Stanley
Combs	Karsten, Mo.	Steed
Cooley	Keogh	Stigler
Cooper	Kilburn	Stockman
Cox	Kirwan	Sutton
Cunningham	Lane	Tackett
Curtis, Nebr.	Lanham	Talle
Dague	Lantaff	Thompson, Tex.
Davis, Ga.	Larcade	Thornberry
Davis, Tenn.	LeCompte	Tollefson
Dawson	Lind	Trimble
Deane	Lovre	Underwood
DeGraffenried	Lucas	Velde
Delaney	Lyle	Vinson
Denton	McCarthy	Walter
Devereux	McCormack	Welch
D'Ewart	McGuire	Werdel
Dolliver	McKinnon	Wheeler
Dorn	McMillan	Whitaker
Doughton	McMullen	Whitten
Doyle	Madden	Wickersham
Durham	Mahon	Wier
Elliot	Mansfield	Williams, Miss.
Ellsworth	Marshall	Willis
Engle	Martin, Iowa	Wilson, Tex.
Evins	Martin, Mass.	Winstead
Fallon	Miller, Calif.	

NOT VOTING—47

Aandahl	Byrne, N. Y.	Gamble
Anfuso	Carnahan	Gillette
Beall	Colmer	Hart
Boykin	Dempsy	Hays, Ohio
Brehm	Dingell	Herter
Burton	Donohue	Hinshaw

Holifield	Morrison	Sabath
Jackson, Calif.	Murphy	Scott, Hardie
Jackson, Wash.	Murray, Wis.	Taylor
Kee	O'Brien, Mich.	Teague
Kennedy	O'Konski	Van Pelt
Kerr	Patten	Weichel
Kilday	Powell	Wolverton
King	Redden	Wood, Ga.
Magee	Reed, N. Y.	Woodruff
Miller, N. Y.	Rivers	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wolverton for, with Mr. Colmer against.

Mr. Taylor for, with Mr. Burton against.

Until further notice:

Mr. Kerr with Mr. Hardie Scott.

Mr. Morrison with Mr. Reed of New York.

Mr. Anfuso with Mr. Weichel.

Mr. Wood of Georgia with Mr. Brehm.

Mr. Dingell with Mr. Miller of New York.

Mr. Jackson of Washington with Mr. Gamble.

Mr. Holifield with Mr. Gillette.

Mr. Hays of Ohio with Mr. Beall.

Mr. Patten with Mr. Jackson of California.

Mr. Rivers with Mr. Woodruff.

Mr. Teague with Mr. Herter.

Mr. Hart with Mr. Hinshaw.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 160, noes 126.

So the bill was passed.

A motion to reconsider was laid on the table.

CHRISTOPHER COLUMBUS MEMORIAL ARBOR

(Mr. LANE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LANE. Mr. Speaker, there is a new monument on the Common in my home city.

The Common is an oasis of natural beauty where trees and grass and flowers in season live in the desert of brick and stone and wood that is a city.

The monument will still be there when all those now living have passed away. Even now it has a message for them as they pause before it on their journey through life.

It tells them of the spirit that lives on after death.

It honors the memory of three native sons and brothers who gave their lives in defense of human freedom during World War II.

No greater sacrifice was ever made by any family in the history of Lawrence, Mass. Few have surpassed it in the records of our Nation.

The name of these heroes, born of one mother: "Campagnone."

Many Americans in the community proudly trace their ancestry to Italy. Our new world was christened after one of her sons. Other sons and daughters have brought to us through the years the wealth of her religious fervor, her civilization, and her passionate love of liberty.

Americans of every racial origin fought in Italy during World War II.

There and elsewhere they won a victory for the people, and against the despots who tried to enslave the world.

Some of the heirs of Christopher Columbus rediscovered Europe before they died and thus the circle was completed.

They fought, not in acknowledgment of a debt that must be paid back and then forgotten. When the circle joined, it meant that communication had just begun. For discovery works both ways, benefiting all through mutual help, understanding, and friendship. And those who live speak for those who never came back from Italy.

Americans of Italian descent have come up with a happy thought and they want to express it in terms of beauty and substance. They have organized a Citizens Committee for a Christopher Columbus Memorial Arbor, to be planted in a suitable location within the District of Columbia. There will be a tree, an accompanying plaque, and appropriate landscaping to represent each of the 48 States and 4 Territories. The original cost will be borne by these citizens. From then on the Federal Park Service will be responsible for the care and upkeep of this memorial. It shall be dedicated to those Americans who died at Salerno, Cassino, Anzio, and in all those other battles to liberate Italy, just before the dawn of the Atomic Age.

The measure to provide a Christopher Columbus Memorial Arbor is a creative idea. It comes from the hearts of men who believe in freedom, neighborliness, and reverence.

It deserves our unanimous approval.

PATRICK HENRY'S RED HILL PLANTATION

(Mr. STANLEY asked and was given permission to extend his remarks at this point in the Record.)

Mr. STANLEY. Mr. Speaker, under leave to extend my remarks, I include an account of the soil-conservation activities on the Red Hill plantation in Charlotte County, Va., on October 18, 1950, sponsored by the Patrick Henry Memorial Foundation in cooperation with the Southside and Robert E. Lee soil-conservation districts of Virginia:

Patrick Henry is being remembered in a most admirable way in Virginia. His 1,000-acre Red Hill plantation in Campbell and Charlotte Counties is being revitalized and used as a home for "problem" boys.

Red Hill is the farm where this great patriot spent his declining years and was buried in 1799. You remember him best for his fiery oratory during the hectic days before the American Revolution. His words "Give me liberty or give me death" are well known to almost everyone. People who are interested in agriculture also remember him as an early American advocate of soil conservation by his words: "He is the greatest patriot who stops the most gullies."

You may not know that Patrick Henry was something of a problem boy before he rose to fame, or that soil erosion went unabated on Red Hill plantation until last year.

The General Assembly of Virginia, during the administration of former Gov. William M. Tuck, appropriated in excess of \$50,000 to help restore Red Hill as a memorial to the famous spokesman for liberty. The Patrick Henry Memorial Foundation has made

the historic place available to the Reverend Ralph Bellwood for the rebuilding of character among problem boys.

But the eroded and neglected acres of Red Hill Plantation had to be repaired and started on the right road to make a proper setting for training future citizens. The Reverend Mr. Bellwood wanted to start the rebuilding of problem boys and problem acres with a celebration at Patrick Henry's former home. He has had considerable experience in working with young people in his ministerial charges in Southside, Va. And he has become acquainted with the beneficial results of soil-conservation work in the Commonwealth's 22 soil-conservation districts.

That's why he asked supervisors of the two districts in which Red Hill plantation lies to sponsor the land rebuilding of the historic farm. Supervisors S. A. Ozlin, D. T. Rogers, Jr., C. L. Mosley, H. G. Blalok, and J. T. Burton of the Southside soil conservation district, and Herman P. Mays, Eugene L. Seay, Jr., Clarence F. Moore, R. W. Gannaway, and G. T. Connelly of the Robert E. Lee district agreed to do so.

And on October 18, 1950, some 10,000 people met on Patrick Henry's old plantation to help give the worn and tired acres a new lease on life or to witness the 1-day operation. They came also to help rededicate to the service of mankind the land for which Patrick Henry had such deep regard.

In the foggy dawn of that autumn day, a small army of volunteer workers operating 50 tractors, 3 bulldozers, and other equipment, started to do in 1 day what would ordinarily take several years for an individual farmer to do. Some 350 veterans, both white and Negro, helped apply the conservation measures needed to revitalize the tired land.

The soil and water conservation plan for the farm had previously been developed by Soil Conservation Service technicians assigned to the Southside and Robert E. Lee districts, working closely with the Reverend Mr. Bellwood and collaborating agencies. Other agencies helping with technical aspects of this farm rebuilding were the Virginia forest service, the commission of game and inland fisheries, the State department of vocational education, and the Virginia Agricultural Extension Service.

Volunteer workers filled gullies, disked, limed, fertilized, seeded, and fenced fields that had grown tobacco, corn, and other crops for 2 centuries. Of course, some of the land once used for crops was covered with pines. And the once-fertile bottoms along Staunton River could not be redeemed for corn because of their wetness and frequent flooding from the silted stream channel. These bottoms now can produce only pasture.

The 1,200 pounds of seed used, 30 tons of fertilizer, and 5 carloads of lime were donated by local merchants as was the use of the farm equipment. A 70-year-old Negro, who owns an adjoining farm, cut nearly 700 fence posts to use on this memorable farm. The State highway department repaired the road leading to the farm, sloped the banks, and cut drainage ditches. Boy Scouts helped highway patrolmen direct traffic. And home demonstration clubs, church and civic organizations served lunches to the 10,000 people who came from all around to honor Patrick Henry and help dedicate his old farm to the building of character among unfortunate boys.

Congressman THOMAS B. STANLEY was present to help pay tribute to the memory of one of Virginia's greatest statesmen. S. A. Ozlin, chairman of the board of supervisors of Southside soil conservation district, presided at the program which included such outstanding leaders as Virginia's former Governor, William M. Tuck, and Dr. T. S.

Buile, southeastern regional director of the Soil Conservation Service.

Governor Tuck expressed the belief to those assembled that if Patrick Henry could have witnessed the farm-rebuilding demonstration he would have been amazed by what can be done through modern methods of cultivation and soil conservation. And he added, "I am sure he would have been impressed not only by the physical improvement of his plantation, but even more so by the further useful purposes planned for it in the years ahead."

He told neighbors and friends gathered there, "This undertaking will mean the salvaging of an untold number of citizens who, like the earth of this farm, otherwise would be subject to the waste and erosion of unpredictable elements."

Dr. T. S. Buile called the group's attention to the fact that the farm of Patrick Henry made a perfect setting for demonstrating the principles of democratic action and community action and community enrichment. He explained the role of soil-conservation districts throughout this Nation in conserving the soil and water resources upon which the strength of the Nation depends. He pointed that the strength of the Nation depended upon many things but that underlying all else was the land whence comes our food, our clothing, housing, and a very large part of the raw materials for industry.

Patrick Henry, the conservationist pointed out, would have recognized the nearly 2,300 soil-conservation districts of the Nation as bulwarks of democracy on the land, and the fundamental importance of the work they were doing.

Dr. Buile clarified the relationship of the soil-conservation districts, which came into being by the process of petition, hearing, and referendum as provided for by State law, with the various agencies helping them solve the problems of the land.

The rebuilding of Patrick Henry's Red Hill Plantation gave Virginians a forceful demonstration of what farmers are achieving in soil and water conservation on their own farms, aided by their own soil-conservation districts and cooperating agencies, Buile explained.

The people of Virginia are remembering Patrick Henry in a most worthwhile way by rebuilding this historic farm and starting it on the noble task of rebuilding character of young people who need their help.

Many people already know about this rededication because seven radio stations and many newspapers carried reports of the day. Others saw motion pictures of the happenings last October 18 on Patrick Henry's Boys' Plantation.

CORP. DALE BRANNOM

(Mr. THOMAS asked and was given permission to extend his remarks at this point in the Record.)

Mr. THOMAS. Mr. Speaker, one of the encouraging things of our history has been the enthusiasm with which Texans have participated in the wars of the United States.

In this connection, the Texas Society of Washington, on the evening of March 2, 1951, held a meeting at the Shoreham Hotel, in Washington, first, to celebrate the one hundred fifteen anniversary of the signing of the Texas Declaration of Independence which took place at Washington-on-the-Brazos in Texas on March 2, 1836, and, second, in honor of wounded Texans, now convalescing in hospitals within the Washington area.

On that occasion, Corp. Dale Brannom, of Houston, Tex., a marine now recovering in a Washington hospital

82D CONGRESS
1ST SESSION

H. R. 2615

IN THE SENATE OF THE UNITED STATES

MARCH 8 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 358 of the Agricultural Adjustment Act of
4 1938, as amended, is amended to read as follows:

5 1. Subsection (c) is amended to read as follows:

6 “(c) (1) The national acreage allotment for 1951,
7 1952, 1953, and 1954, less the acreage to be allotted to
8 new farms under subsection (f) of this section, shall be
9 apportioned among the States on the basis of the average
10 acreage of peanuts harvested for nuts in each State during
11 the five-year period 1945-1949: *Provided*, That the State

1 acreage allotment so established for any State shall not be
2 less than the acreage allotment which would be established
3 for such State if the national acreage allotment for such
4 year were apportioned among the States on the basis of the
5 acreage allotted to each State as its share of the final 1950
6 national acreage allotment of two million two hundred thou-
7 sand one hundred and ninety-four acres: *Provided further,*
8 That the allotment so determined for any State for 1951
9 which is less than the 1951 State allotment announced by
10 the Secretary prior to the enactment of this Act shall be
11 increased to such announced allotment and the acreage
12 required for the increase authorized under the foregoing
13 provisos shall be in addition to the national acreage allot-
14 ment and the production from such acreage shall be in addi-
15 tion to the national marketing quota.

16 “(2) The national acreage allotment for 1955 and any
17 subsequent year, less the acreage to be allotted to new farms
18 under subsection (f) of this section, shall be apportioned
19 among the States on the basis of the average acreage of
20 peanuts harvested for nuts in the State in the five years
21 preceding the year in which the national acreage allotment
22 is determined, adjusted for abnormal conditions of produc-
23 tion, but such harvested acreage for any year of the five-year
24 period shall not exceed the State acreage allotment for such
25 year.

1 “(3) Notwithstanding any other provision of law, if the
2 Secretary of Agriculture determines, on the basis of the aver-
3 age yield per acre of peanuts by types during the preceding
4 five years, adjusted for trends in yields and abnormal con-
5 ditions of production affecting yields in such five years, that
6 the supply of any type or types of peanuts for any marketing
7 year, beginning with the 1951-1952 marketing year, will
8 be insufficient to meet the estimated demand for cleaning and
9 shelling purposes at prices at which the Commodity Credit
10 Corporation may sell for such purposes peanuts owned or
11 controlled by it, the State allotments for those States pro-
12 ducing such type or types of peanuts shall be increased to
13 the extent determined by the Secretary to be required to
14 meet such demand. The total increase so determined shall
15 be apportioned among such States for distribution among
16 farms producing peanuts of such type or types on the basis
17 of the average acreage of peanuts (excluding acreage in
18 excess of farm allotments) of such type or types in the
19 three years preceding the year in or for which the allotments
20 are being determined. The additional acreage so required
21 shall be in addition to the national acreage allotment, the
22 production from such acreage shall be in addition to the
23 national marketing quota, and the increase in acreage allotted
24 under this provision shall not be considered in establishing
25 future State, county, or farm acreage allotments.”

1 2. Subsection (d) is amended by changing the second
2 sentence to read as follows:

3 “(d) The State acreage allotment for 1952 and any
4 subsequent year shall be apportioned among farms on which
5 peanuts were produced in any one of the three calendar
6 years immediately preceding the year for which such appor-
7 tionment is made, on the basis of the following: Past acreage
8 of peanuts, taking into consideration the acreage allotments
9 previously established for the farm; abnormal conditions
10 affecting acreage; land, labor, and equipment available for
11 the production of peanuts; crop-rotation practices; and soil
12 and other physical factors affecting the production of
13 peanuts.”

14 3. Add new subsections (e), (f), (g), and (h) as
15 follows:

16 “(e) Notwithstanding the foregoing provisions of this
17 section, the Secretary may, if the State committee recom-
18 mends such action and the Secretary determines that such
19 action will facilitate the effective administration of the pro-
20 visions of the Act, provide for the apportionment of the State
21 acreage allotment for 1952 and any subsequent year among
22 the counties in the State on the basis of the past acreage of
23 peanuts harvested for nuts (excluding acreage in excess of
24 farm allotments) in the county during the five years im-
25 mediately preceding the year in which such apportionment

1 is made, with such adjustments as are deemed necessary for
2 abnormal conditions affecting acreage, for trends in acreage,
3 and for additional allotments for types of peanuts in short
4 supply under the provisions of subsection (c). The county
5 acreage allotment shall be apportioned among farms on the
6 basis of the factors set forth in subsection (d) of this section.

7 “(f) Not more than one per centum of the national
8 acreage allotment shall be apportioned among farms on
9 which peanuts are to be produced during the calendar year
10 for which the allotment is made but on which peanuts were
11 not produced during any one of the past three years, on the
12 basis of the following: Past peanut-producing experience by
13 the producers; land, labor, and equipment available for the
14 production of peanuts; crop-rotation practices; and soil and
15 other physical factors affecting the production of peanuts.

16 “(g) Any part of the acreage allotted to individual
17 farms under the provisions of this section on which peanuts
18 will not be produced and which is voluntarily surrendered
19 to the county committee shall be deducted from the allot-
20 ments to such farms and may be reapportioned by the county
21 committee to other farms in the same county receiving allot-
22 ments, in amounts determined by the county committee to
23 be fair and reasonable on the basis of land, labor, and equip-
24 ment available for the production of peanuts, crop-rotation

1 practices, and soil and other physical factors affecting the
2 production of peanuts. Any transfer of allotments under this
3 provision shall not operate to reduce the allotment for any
4 subsequent year for the farm from which acreage is trans-
5 ferred, except as the farm becomes ineligible for an allotment
6 by failure to produce peanuts during a three-year period, and
7 any such transfer shall not operate to increase the allotment
8 for any subsequent year for the farm to which the acreage
9 is transferred: *Provided*, That, notwithstanding any other
10 provisions of this Act, any part of any farm acreage allot-
11 ment may be permanently released in writing to the county
12 committee by the owner and operator of the farm, and
13 reapportioned as provided herein.

14 “(h) Notwithstanding any other provision of this sec-
15 tion, the allotment determined or which would have been
16 determined for any land which is removed from agricultural
17 production in 1950 or any subsequent year for any purpose
18 because of acquisition by any Federal, State, or other agency
19 having a right of eminent domain shall be placed in a pool
20 and shall be available for use in providing equitable allot-
21 ments for farms owned or acquired by owners displaced
22 because of acquisition of their farms by such agencies. Upon
23 application to the county committee, within five years from
24 the date of such acquisition of the farm, any owner so dis-
25 placed shall be entitled to have an allotment for any other

1 farm owned or acquired by him equal to an allotment which
2 would have been determined for such other farm plus the
3 allotment which would have been determined for the farm
4 so acquired: *Provided*, That such allotment shall not exceed
5 50 per centum of the acreage of cropland on the farm.

6 "The provisions of this section shall not be applicable if
7 (a) there is any marketing quota penalty due with respect
8 to the marketing of peanuts from the farm acquired by the
9 Federal, State, or other agency or by the owner of the farm;
10 (b) any peanuts produced on such farm have not been
11 accounted for as required by the Secretary; or (c) the allot-
12 ment next established for the farm acquired by the Federal,
13 State, or other agency would have been reduced because of
14 false or improper identification of peanuts produced on or
15 marketed from such farm."

16 SEC. 2. Subsection (g) of section 359 of the Agricul-
17 tural Adjustment Act of 1938, as amended, is amended
18 (1) by adding after "1947" in the first sentence the words
19 "or 1948, if no peanuts were harvested on the farm in 1947",
20 (2) by striking out after the word "That," where it first
21 appears in the proviso, the following words: "for the 1950
22 crop", and (3) by inserting the following new sentences
23 after the fifth sentence: "As an alternative to designated
24 agencies paying the prevailing oil value for such excess pea-
25 nuts of any type in insufficient supply and the subsequent

1 distribution of sales proceeds therefrom in accordance with
2 the foregoing provisions of this subsection, the Secretary
3 may also authorize peanut buyers approved pursuant to regu-
4 lations of the Secretary to purchase such peanuts from pro-
5 ducers at prices not less than those at which such peanuts
6 may be sold for cleaning and shelling by the Commodity
7 Credit Corporation. In the event of such authorization by
8 the Secretary, producers shall have the option of either de-
9 livering such peanuts to designated agencies or selling such
10 peanuts to approved peanut buyers, and such sales to ap-
11 proved buyers shall have the same effect, with respect to
12 avoidance of the marketing penalty and classification of pro-
13 ducers as cooperators, as deliveries to designated agencies.”

14 SEC. 3. The first sentence of section 363 of the Agricul-
15 tural Adjustment Act of 1938, as amended, is amended to
16 read as follows: “Any farmer who is dissatisfied with his
17 farm marketing quota may, within fifteen days after mailing
18 to him of notice as provided in section 362, have such quota
19 reviewed by a local review committee composed of three
20 farmers from the same or nearby counties appointed by the
21 Secretary.”

Passed the House of Representatives March 7, 1951.

Attest:

RALPH R. ROBERTS,
Clerk.

82ND CONGRESS
1ST SESSION

H. R. 2615

AN ACT

To amend the Agricultural Adjustment Act of
1938, as amended.

MARCH 8 (legislative day, JANUARY 29), 1951
Read twice and referred to the Committee on
Agriculture and Forestry

PEANUT MARKETING QUOTAS AND ACREAGE
ALLOTMENTS

MARCH 14 (legislative day, MARCH 12), 1951.—Ordered to be printed

Mr. HOEY, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

[To accompany H. R. 2615]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended, having considered the same, report thereon with a recommendation that it do pass with an amendment.

The amendment to the bill strikes out all after the enacting clause and inserts in lieu thereof the language of S. 742.

STATEMENT

The proposed legislation is designed primarily to correct a situation in peanut production whereby certain types of peanuts are now in short supply. During World War II peanut producers were urged to increase their production for strategic purposes and, following cessation of hostilities, they were faced with the problem of reducing their acreage drastically in order to maintain a more normal relationship between demand and supply. This reduction is being accomplished through the system of marketing quotas and acreage allotments authorized by the Agricultural Adjustment Act of 1938, as amended.

However, in the attempt to achieve as equitable and reasonable a reduction as possible, the law now would require a reduction in the acreage devoted to the production of Virginia and Valencia types of peanuts, along with reductions in acreage of other types. The supply of Virginia and Valencia types did not equal the demand in 1950 and a further reduction would be unnecessarily detrimental to the industry. The shortage of these types of peanuts in 1950 was alleviated to some extent by Public Law 471, Eighty-first Congress, which authorized the Secretary of Agriculture to permit the sale of

excess peanuts of such types as were found to be in short supply without payment of the marketing penalty. That authorization is applicable, however, only to the 1950 crop of peanuts.

As stated above, the peanut industry has been confronted with a major problem of adjusting the production of peanuts from a greatly increased demand for total war needs to relatively small, normal demands of peacetime. Peanut acreage was increased almost 100 percent from 1941 to 1947 when the total acreage was 3,389,000 acres. A slight reduction was made in 1948 when 3,310,000 acres were harvested, but under the marketing quota and acreage allotment system, a total reduction of 46.5 percent has been made in 3 years. The 3-year period includes the proposed acreage to be harvested in 1951 under a national acreage allotment of 1,771,117 acres, announced October 26, 1950, by the Department of Agriculture.

This reduction under Federal regulation has not been without cost to the Government. Losses in the price-support program for peanuts in 1949 totaled approximately \$40,000,000 and the loss on the 1950 crop is expected to be about \$20,000,000. Your committee is concerned about these losses, but it does recognize that the adjustment in peanut acreage has been a tremendous economic problem to growers of peanuts, and the help given by the Federal Government through price supports and the marketing quota and acreage allotment system has undoubtedly been highly instrumental in preventing disastrous financial conditions within the industry.

The outlook for the 1951 program is more favorable. The market is expected to reflect a stronger demand for peanuts this year for both edible and oil purposes. In addition, the national acreage allotment for 1951, including the increases proposed by this bill, would be 331,334 acres less than the final 1950 allotment. These two factors will undoubtedly result in less cost to the Government in administering the peanut price-support program in 1951 than in the previous 2 years.

Along with providing permanent authority to the Secretary to grant increased allotments for the production of peanuts in short supply, the legislation does increase acreage for other types of peanuts in 1951. The national acreage allotment for 1951, as announced by the Department of Agriculture, is 1,771,117 acres. H. R. 2615, as amended by your committee, would increase the 1951 allotment by 34,900 acres, excluding the acreage added for types of peanuts in short supply. In a report on S. 742, the Department of Agriculture estimated that approximately 62,843 acres would be needed for production of peanuts in short supply. These increases of 34,900 acres and 62,843 acres, added to the previously announced national acreage allotment of 1,771,117 acres, would make a final 1951 acreage allotment of 1,868,860 acres. Thus the 1951 allotment, as amended by the bill, would actually be a reduction of 331,334 acres from the final 1950 allotment of 2,200,194 acres.

The report of the Department of Agriculture, dated February 17, 1951, and recommending the enactment of S. 742, is attached as appendix A.

In addition to treating the problem of peanuts in short supply, Public Law 471 also authorized emergency allotments in 1950 to allow for a more equitable allocation of State acreage allotments. The increases made in 1950 are not taken into consideration in computing the 1951 allotment in accordance with the provisions of Public Law

471. Therefore, the same discrepancies exist to some extent in the 1951 allocation, and the proposed increase in acreage, other than for the production of peanuts in short supply, is to provide a more equitable distribution of the national acreage allotment among the various States on a permanent basis.

The need is apparent for adjustment of the peanut acreage allotment system to provide for the production of any type of peanuts equal to the demand for such type. The committee also believes the changes proposed in the basic State acreage allotments for 1951 will provide a more equitable basis for future allocation of the national allotment. Therefore, your committee recommends enactment of H. R. 2615, as amended, and in view of the changes proposed for the 1951 crop of peanuts which will soon be planted, immediate consideration by the Senate is urged.

ANALYSIS OF H. R. 2615

The bill as passed by the House provided for the allocation of the national acreage allotment for 1951, 1952, 1953, and 1954, less the national reserve for new farms, among the States on the basis of the average acreage of peanuts harvested for nuts in each State during the 5-year period 1945-49, but no State acreage allotment could be less than the acreage allotment which would have been established for such State on the basis of the acreage allotted to each State as its share of the final 1950 national acreage allotment of 2,200,194 acres. However, no State acreage allotment for 1951 could be reduced below that which has already been announced for such State. The bill as passed by the House further provided that the national acreage allotment for 1955 and any subsequent year, less the national reserve for new farms, would be allocated among the States on the basis of the average acreage harvested for nuts in the State in the 5 years preceding the year in which the national acreage allotment is determined and such harvested acreage for any year of the 5-year period cannot exceed the State acreage allotment for such year.

The committee amendment to H. R. 2615 provides that the 1951 national acreage allotment, less the national reserve for new farms, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of 2,100,000 acres, or (b) the State's share of 2,100,000 acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the 5 years 1945-49. Like the bill as passed by the House, the committee amendment provides that no State allotment can be reduced below the allotment already announced for such State for 1951. The amendment also provides that for any year subsequent to 1951, the national acreage allotment, less the national reserve for new farms, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

The bill as passed by the House and as amended by your committee provides that any increases granted by the above provisions shall be in addition to the national acreage allotment for 1951 and shall be considered in computing future State acreage allotments.

In authorizing acreage increases for production of types of peanuts in short supply, H. R. 2615, as passed by the House, provided that the Secretary of Agriculture shall determine the extent to which the State allotments for those States producing such type or types of peanuts shall be increased to meet the demand. The committee amendment provides that the State allotment cannot be increased for such purpose above the 1947 harvested acreage of peanuts for such State. Both the committee amendment and the bill as passed by the House provide that acreage increases for the production of peanuts in short supply cannot be taken into consideration in computing future State, county, and farm acreage allotments.

The committee amendment makes no change in certain sections of the bill as passed by the House and an analysis of these sections as contained in the report of the House Agriculture Committee on H. R. 2615 is as follows:

SECTION 358 (D)—FARM ACREAGE ALLOTMENTS

The bill provides that the State acreage allotment for 1952 and any subsequent year shall be apportioned among "old" peanut farms (farms on which peanuts have been harvested in any 1 of the 3 years preceding the year for which allotments are being established) on the basis of the past acreage of peanuts (excluding any acreage harvested in excess of the farm acreage allotment), taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop rotation practices; and soil and other physical factors affecting the production of peanuts.

Under existing law, allotments for "old" farms are established on the basis of the tillable acreage available for the production of peanuts and the past acreage of peanuts on the farm, taking into consideration the peanut-acreage allotments established for the farm under previous programs. The present factors do not permit the local committees to take into account certain facts and elements relating to peanut production which must be considered if fair and equitable allotments as between farms in a community or county are to be established. The factors included in the bill will permit the Secretary to lay down certain guides and standards which, when applied by the local committees, should result in proper distribution of the allotment available to the committees.

SECTION 358 (E)—COUNTY ACREAGE ALLOTMENTS

The bill provides that the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the act, provide for the apportionment of the State allotment among the counties on the basis of the past acreage of peanuts harvested for nuts (excluding excess acreage) in the county during the five preceding years, with adjustments for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of section 358 (c). Existing law provides for apportionment of the State acreage allotment direct to farms. It has been the experience of the Department of Agriculture that apportionment of allotment to farms is more effective where county acreage allotments are established and the county and community committees are given the responsibility for apportioning such allotment among the eligible farms.

SECTION 358 (F)—NEW FARMS

The bill provides that the Secretary may reserve not more than 1 percent of the national acreage allotment for establishing allotments for new farms; that is, farms on which peanuts will be produced in the current year but on which no peanuts were harvested during any 1 of the preceding 3 years. The factors upon which such apportionments would be made are past peanut-producing experience by the producers on the farm; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts. Existing law does not specifically provide for the establishment of allotments for "new" peanut farms.

SECTION 358 (G)—RELEASE AND REAPPORTIONMENT OF FARM-ACREAGE ALLOTMENTS

The bill provides that any part of the acreage allotted to a farm which will not be used, and which is voluntarily surrendered to the county committee by the owner or operator of the farm, shall be deducted from the allotment for the farm and may be reapportioned by the county committee to other farms in the same county receiving peanut-acreage allotments. Any transfer of allotment under this provision will not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except that such farm will become ineligible for an "old" farm allotment if no peanuts are harvested from it during the base 3-year period. The acreage planted on a farm as a result of having received additional allotment under this provision of the bill will be considered the same as excess acreage in establishing future farm-acreage allotments. The bill further provides that any part of a farm-acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm.

SECTION 358 (H)—ALLOTMENTS FOR DISPLACED FARM OWNERS

The bill provides that the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee made within 5 years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired, but the total allotment for the farm may not exceed 50 percent of the acreage of cropland on the farm. The bill further provides that an owner shall not be eligible for the benefits of this provision if there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; or if any peanuts produced on such farm have not been accounted for as required by the Secretary; or if the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm.

SECTION 359 (G)—MARKETING OF EXCESS PEANUTS

Under existing law, if the total acreage of peanuts picked or threshed on the farm does not exceed the total acreage of peanuts picked or threshed on the farm in 1947, payment of the marketing penalty will not be required on any excess peanuts which are delivered to or marketed through an agency designated by the Secretary. The bill would change this provision so as to establish 1948 as the year to be referred to in those cases where no peanuts were harvested on the farm in 1947.

Under existing law, if the Secretary determines that the supply of any type of peanuts produced in 1950 is insufficient to meet the demand for cleaning and shelling purposes at specified price levels, the Secretary shall permit the sale for cleaning and shelling of the excess peanuts of such type delivered to designated agencies to avoid the marketing penalty. Where such deliveries are made, the producers are paid the prevailing market value for such peanuts for crushing for oil and they receive a distribution of the net profits from the sales of such peanuts for cleaning and shelling purposes. The bill would give the Secretary authority to operate such a program in 1951 and any subsequent year. However, in view of the provisions of the bill authorizing the Secretary to increase the allotments for States producing peanuts of a type in short supply, it appears that the authority vested in the Secretary by this provision would not be exercised unless a shortage in a particular type of peanuts developed because of abnormally low yields or increased demand.

The bill further provides that, as an alternative to designated agencies paying producers the prevailing oil value for deliveries of excess peanuts of any type in short supply and subsequently distributing the proceeds from sales of such peanuts among the producers, the Secretary may authorize peanut buyers to purchase such peanuts from producers at specified price levels. If peanut buyers were so

authorized, producers would have the option of either delivering such peanuts to designated agencies or selling them to approved buyers, and in either case the marketing would not be subject to penalty. The committee understands that the distribution of net profits among the producers who delivered excess peanuts of a type declared to be in short supply requires the keeping of numerous records. Moreover, it is usually several months before the producer receives the distribution payment. Under the alternative method proposed in the bill, the producer would receive full payment from the approved buyer to whom he sold his peanuts.

SECTION 363—REVIEW OF FARM ACREAGE ALLOTMENTS

The bill amends section 363 of the act to state that the members of a local review committee shall be appointed by the Secretary from the same or nearby counties. The review committees are local committees composed of three farmers appointed by the Secretary to review the farm acreage allotments and marketing quotas of dissatisfied farmers in the locality. Since the act was passed in 1938, the Secretary has followed the practice of appointing on these review committees those farmers who are county or community committeemen in adjacent or nearby counties. These farmers were appointed because they were familiar with the marketing-quota program and were, therefore, able to deal effectively with the complaints of farmers in the area. Although a marketing-quota program has been in effect for some commodity for each of the years since the passage of the act, some question has arisen regarding the legality of appointing county and community committeemen from adjoining counties on these review committees. The committee feels that these farmers are best qualified to serve on the review committees and that any doubt regarding the legality of their appointment should be settled. Therefore, this amendment is merely to clarify a section of the present law.

In addition, the committee amendment provides that no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption. This provision will clarify the situation with respect to withholding from market for such uses a part of the total production of peanuts, some of which is subject to penalty. The provision will continue the present practice of the Department in administering the peanut price-support program.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

SEC. 358. * * *

[(c) The national acreage allotment shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the five years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That the allotment established for any State shall be not less than (1) the allotment established for such State for the crop produced in the calendar year 1941, or (2) 60 per centum of the acreage of peanuts harvested for nuts in the calendar year 1948, whichever is larger: *Provided further*, That if the national acreage allotment in any year is less than two million one hundred thousand acres, then the allotment for each State after being calculated as hereinabove provided shall be reduced by the same percentage as the State allotment (as so calculated) bears to the national allotment: *And provided further*, That the national acreage allotment for the crop year 1950 shall be not less than two million one hundred thousand acres.]

(c) (1) *The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States*

on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of two million one hundred thousand acres, or (b) the State's share of two million one hundred thousand acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the five years 1945-1949: Provided, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, adjusted for trends in yields and abnormal conditions of production affecting yields in such five year, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-1952 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts of such type or types in the three years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments.

(d) The Secretary shall provide for apportionment of the State acreage allotment for any State through local committees among farms on which peanuts were grown in any of the three years immediately preceding the year for which such allotment is determined. [Such apportionment shall be made on the basis of the tillable acreage available for the production of peanuts and the past acreage of peanuts on the farm, taking into consideration the peanut-acreage allotments established for the farm under previous agricultural adjustment and conservation programs.] The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts. Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years. The amount of the marketing quota for each farm shall be the actual production of the farm-acreage allotment, and no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm.

(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

(f) Not more than one per centum of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any

one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: Provided, That, notwithstanding any other provisions of this Act, any part of any farm-acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: Provided, That such allotment shall not exceed 50 percentum of the acreage of cropland on the farm.

The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm.

* * * * *

SEC. 359. (a) The marketing of any peanuts in excess of the marketing quota for the farm on which such peanuts are produced, or the marketing of peanuts from any farm for which no acreage allotment was determined, shall be subject to a penalty at a rate equal to 50 per centum of the basic rate of the loan (calculated to the nearest tenth of a cent) for farm marketing quota peanuts for the marketing year August 1-July 31. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. The Secretary may require collection of the penalty upon a portion of each lot of peanuts marketed from the farm equal to the proportion which the acreage of peanuts in excess of the farm-acreage allotment is of the total acreage of peanuts on the farm. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations prescribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of, and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive. Peanuts produced in a calendar year in which marketing quotas are in effect for the marketing year

beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to account for the disposition of any peanuts, an amount of peanuts equal to the normal yield of the number of acres harvested in excess of the farm acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. If any amount of peanuts produced on one farm is falsely identified by a representation that such peanuts were produced on another farm, the acreage allotments next established for both such farms shall be reduced by that percentage which such amount was of the respective farm marketing quotas, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of peanuts is not furnished as required by the Secretary, the acreage allotment next established for the farm on which such peanuts are produced shall be reduced by a percentage similarly computed. *Notwithstanding any other provisions of this title, no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption.*

* * * * *

(g) If the total acreage of peanuts picked or threshed on the farm does not exceed the total acreage of peanuts picked or threshed on the farm in 1947 or 1948, if no peanuts were harvested on the farm in 1947, payment of the marketing penalty as provided in subsection (a) will not be required on any excess peanuts which are delivered to or marketed through an agency or agencies designated each year by the Secretary. Any peanuts received under this subsection by such agency shall be sold by such agency (i) for crushing for oil under a sales agreement approved by the Secretary; (ii) for cleaning and shelling at prices not less than those established for quota peanuts under any peanut diversion, peanut loan, or peanut purchase program; or (iii) for seed at prices established by the Secretary. For all peanuts so delivered to a designated agency under this subsection, producers shall be paid for the portion of the lot constituting excess peanuts, the prevailing market value thereof for crushing for oil (but not more than the price received by such agency from the sale of such peanuts), less the estimated cost of storing, handling, and selling such peanuts: *Provided*, That [for the 1950 crop] if the Secretary determines that the supply of any type of peanuts is insufficient to meet the demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for such purposes, the Secretary shall permit the sale, for cleaning and shelling, of the excess peanuts of such type so delivered. Such sales shall be in quantities necessary to meet such demand and at prices not less than those at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for cleaning and shelling. The proceeds received from the sale of such peanuts of such type for cleaning and shelling shall, after deduction of the price paid to producers and other costs incurred in connection therewith, including estimated cost of proration, be prorated proportionately among all of the producers delivering excess peanuts of such type to designated agencies under this section. *As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies.* Any person who, pursuant to the provisions of this subsection, acquires peanuts for crushing for oil and who uses or disposes of such peanuts for any purpose other than that for which acquired shall pay a penalty to the United States, at a rate equal to the marketing penalty prescribed in subsection (a), upon the peanuts so used or disposed of and shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, for each and every offense. Operations under this subsection shall be carried on under regulations prescribed by the Secretary.

* * * * *

SEC. 363. [Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers appointed by the Secretary.] *Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary.* Such committee shall not include any member of the local committee which determined the farm acreage allotment, the normal yield, or the farm marketing quota for such farm. Unless application for review is made within such period, the original determination of the farm marketing quota shall be final.

APPENDIX A

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 17, 1951.

HON. ALLEN ELLENDER,
*Chairman, Committee on Agriculture and Forestry,
United States Senate.*

DEAR MR. ELLENDER: In accordance with your request of February 2, 1951, there is submitted a report on a bill, S. 742, to amend the Agricultural Adjustment Act of 1938, as amended, with respect to peanuts.

This report deals primarily with proposed amendments to section 358 (C) of the act pertaining to the apportionment of the national peanut acreage allotments to States and possible "type" increases.

S. 742 amends section 358 (C) to apportion the national peanut acreage allotment for 1951, less the acreage to be allotted to new farms, among the States on the basis of the larger of the State's share of the 1950 national acreage allotment of 2,100,000 acres or the State's share of 2,100,000 acres apportioned on the basis of the average acreage harvested for nuts in each State in the 5 years 1945-49. The bill further provides that, for 1951, no State shall receive an allotment less than the allotment already announced under existing legislation. For years subsequent to 1951, S. 742 provides that the national acreage allotment, less the acreage to be allotted to new farms, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which an apportionment was made.

S. 742 also contains a provision which would permit the Secretary of Agriculture to increase the State acreage allotments for those States producing types or peanuts for which it is determined that the supply will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it. Under this provision, the State acreage allotment for any State could not be increased above the 1947 harvested acreage of peanuts in such State.

In order to indicate the possible effects of S. 742, there is attached a table entitled "Peanuts: Indicated 1951 Acreage Allotment Under S. 742." This preliminary table indicates the approximate State acreage allotments which would be determined for the 1951 crop under the proposed bill. State acreage allotments for 1951 prior to possible increases for "type" would be as shown in column 7 of the attached table.

Although S. 742 would allow much larger increases if warranted by demand, it has been assumed for ease of comparison that the same acreage of Virginia and Valencia types of peanuts would be made under either S. 742 or the Department proposal submitted to both houses of Congress with our letter of December 8, 1950. On the basis of this assumption, column 9 of the attached table shows the approximate manner in which 62,843 acres of additional Virginia- and Valencia-type allotment would be apportioned to States for 1951 under S. 742. In making this apportionment, we have ignored the fact that some States other than the five listed also produce some Virginia- and Valencia-type peanuts and would be entitled to their proportionate share of any over-all increase in 1951 allotments for these types.

In addition to the fact that the total increase itself is purely illustrative, it should also be pointed out that the basis for apportioning this increase to States, that is, the 1948-50 average acreages by types, are approximations which are subject to change.

As we interpret S. 742, it differs from the Department proposal in only two major respects insofar as the determination of acreage allotments are concerned.

These differences are: (a) S. 742 provides that increases in State acreage allotments resulting from allotments already announced for 1951 will be considered in determining State acreage allotments for future years, whereas under the Department proposal, these increases would not be considered in determining State acreage allotments after 1951, and (b) S. 742 makes allotment increases by "type" permissive and subject to determinations by the Secretary of Agriculture, whereas under the Department proposal, increases for Virginia- and Valencia-type peanuts are mandatory and automatic. Also, S. 742 limits "type" increases only to the extent that the allotment for any State may not be increased above the 1947 harvested acreage of peanuts in the State. Under the Department bill, the automatic and mandatory allotment increases for Virginia- and Valencia-type peanuts would limit increases to the extent that no State acreage allotment would be increased above its 1941 acreage allotment.

The Department has no objection to the method of apportioning the national acreage allotment to States as provided for in S. 742 although it would result in some differences in State acreage allotments for 1952 and subsequent years from those which would be determined under the Department proposal. For example, under S. 742, 1952 State acreage allotments would be determined by apportioning the national acreage allotment to States on the basis of the entries in column 7 of the attached table. Under the Department proposal, this apportionment for 1952 and subsequent years would be on the basis of entries in column 5.

The Department also agrees with the intent of the proposed subsection (C) (2) as contained in S. 742 which would permit increasing allotments for individual types of peanuts when it is determined that increases are needed in order to meet the edible demand for such types. Also, we believe that if a limitation is needed, the 1947 acreage picked and threshed would be an acceptable limit to which individual State allotments could be increased under this provision. However, this subsection as written places the authority and responsibility for type increases with the Secretary of Agriculture and we would prefer that the legislation contain specific provision for increasing the allotment for Virginia- and Valencia-type peanuts in much the same way as proposed in our letter of December 8, 1950. If legislation should be enacted placing this authority with the Secretary of Agriculture as provided in S. 742, the Department of Agriculture will administer the provision to the best of its ability on the basis of its analysis of the supply and demand for the various types of peanuts. It is suggested, however, that the committee consider amending the language in lines 11 and 12, page 3, of S. 742 to read "preceding the year in or for which the allotments are being determined." This language would permit the Department to use the most recent 3-year period for which data are available, whereas under the language as now written, the Department might not have the 3-year data referred to at the time State and farm acreage allotments are established. It is also believed that the committee might wish to insert language which would clearly eliminate "excess acreage" from the determination of the 3-year average acreage to be used as the basis for apportioning type increases to States and farms.

S. 742 meets the principal objectives of the Department of Agriculture insofar as peanut legislation is concerned and subject to consideration of the items mentioned above, the Department recommends that the bill be enacted.

There is urgent necessity for early action with respect to peanut legislation which would permit the increase of allotments for States and farms producing Virginia- and Valencia-type peanuts because the allotments determined pursuant to existing legislation have been reduced substantially below the acreage required to obtain production sufficient to meet the demand.

In view of the subsequent request, we are submitting this report without awaiting advice from the Bureau of the Budget as to the relationship of the proposed legislation to the program of the President.

Sincerely,

CHARLES F. BRANNAN, *Secretary.*

Peanuts: Indicated 1951 acreage allotments under S. 742

State and area	1945-49 straight average acreage	1950 acreage allotment prior to Public Law 471	2,100,000 acres apportioned on basis of 1945-49 average acreage	Larger of (2) or (3)	First indicated 1951 acreage allotment ¹	1951 acreage allotment announced Oct. 26, 1950	Second indicated 1951 allot- ment ²	1947 acreage picked and threshed ³	Approximate in- crease for types proposed legislation ⁴	Third indi- cated 1951 acreage allotment ⁴
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Virginia-----	154,600	141,108	105,873	141,108	112,869	117,819	162,000	22,268	140,587	
North Carolina-----	287,600	225,702	196,955	225,702	180,535	188,451	292,000	37,659	226,110	
Tennessee-----	5,400	4,766	3,698	4,766	3,812	3,979	5,000	672	4,651	
Total Virginia-Carolina area-----	447,600	371,576	306,526	371,576	297,216	310,249	459,000	60,629	370,878	
South Carolina-----	27,200	18,375	18,327	18,327	14,890	15,342	26,000	1,665	17,007	
Georgia-----	1,046,600	701,400	716,733	716,733	573,301	585,638	1,124,000	---	585,638	
Florida-----	96,400	73,236	68,017	73,236	58,520	61,149	103,000	---	61,149	
Alabama-----	434,200	274,907	304,197	304,197	243,321	253,535	463,000	---	243,321	
Mississippi-----	15,400	9,272	10,546	10,546	8,436	7,742	13,000	---	8,436	
Total southeast area-----	1,629,800	1,077,100	1,116,120	1,123,339	898,537	899,406	1,733,000	1,665	915,551	
Arkansas-----	8,600	5,473	5,889	5,889	4,710	4,570	8,000	---	4,710	
Louisiana-----	4,000	2,506	2,739	2,739	2,101	2,092	3,000	---	2,191	
Oklahoma-----	241,400	183,600	165,316	183,600	146,838	153,298	323,000	---	153,298	
Texas-----	723,600	431,200	493,536	495,536	396,369	376,722	836,000	---	396,369	
New Mexico-----	10,000	5,959	6,848	6,848	5,478	4,975	14,000	549	6,027	
Total southwest area-----	987,600	648,738	676,328	694,612	555,606	541,667	1,188,000	549	562,595	
Arizona-----	500	960	342	960	768	801	500	---	801	
California-----	500	1,257	342	1,257	1,005	1,050	500	---	1,050	
Missouri-----	500	279	342	342	274	293	500	---	274	
Total others-----	1,500	2,496	1,026	2,559	2,017	2,084	1,500	---	2,125	
Acreage reserved for new farms-----	---	---	---	---	17,711	17,711	---	---	17,711	
Total United States-----	3,066,500	2,100,000	2,100,000	2,192,036	1,771,117	1,771,117	3,381,500	62,843	1,868,860	

¹ Column 4 reduced proportionately to a United States total of 1,771,117 acres, with 17,711 acres reserved for new farms.² Larger of column 5 or column 6.³ Maximum acreage to which any State may be increased under "type" provisions of S. 742.⁴ Approximate and preliminary. For case of comparison the increase of 62,843 acres is the same as assumed would be added by the proposal of the Department of Agriculture.

Source: Fats and Oils Branch, FMA Program Analysis Division, Feb. 15, 1951.

Calendar No. 167

82ND CONGRESS
1ST SESSION

H. R. 2615

[Report No. 176]

IN THE SENATE OF THE UNITED STATES

MARCH 8 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Agriculture and Forestry

MARCH 14 (legislative day, MARCH 12), 1951

Reported by Mr. HOEX, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 358 of the Agricultural Adjustment Act of
4 1938, as amended, is amended to read as follows:

5 1. Subsection (e) is amended to read as follows:

6 “(e) (1) The national acreage allotment for 1951,
7 1952, 1953, and 1954, less the acreage to be allotted to
8 new farms under subsection (f) of this section, shall be
9 apportioned among the States on the basis of the average
10 acreage of peanuts harvested for nuts in each State during
11 the five-year period 1945–1949: *Provided*, That the State

1 acreage allotment so established for any State shall not be
2 less than the acreage allotment which would be established
3 for such State if the national acreage allotment for such
4 year were apportioned among the States on the basis of the
5 acreage allotted to each State as its share of the final 1950
6 national acreage allotment of two million two hundred thou-
7 sand one hundred and ninety-four acres: *Provided further*;
8 That the allotment so determined for any State for 1951
9 which is less than the 1951 State allotment announced by
10 the Secretary prior to the enactment of this Act shall be
11 increased to such announced allotment and the acreage
12 required for the increase authorized under the foregoing
13 provisos shall be in addition to the national acreage allot-
14 ment and the production from such acreage shall be in addi-
15 tion to the national marketing quota.

16 “(2) The national acreage allotment for 1955 and any
17 subsequent year, less the acreage to be allotted to new farms
18 under subsection (f) of this section, shall be apportioned
19 among the States on the basis of the average acreage of
20 peanuts harvested for nuts in the State in the five years
21 preceding the year in which the national acreage allotment
22 is determined, adjusted for abnormal conditions of produc-
23 tion, but such harvested acreage for any year of the five-year
24 period shall not exceed the State acreage allotment for such
25 year.

1 “(3) Notwithstanding any other provision of law, if the
2 Secretary of Agriculture determines, on the basis of the aver-
3 age yield per acre of peanuts by types during the preceding
4 five years, adjusted for trends in yields and abnormal con-
5 ditions of production affecting yields in such five years, that
6 the supply of any type or types of peanuts for any marketing
7 year, beginning with the 1951-1952 marketing year, will
8 be insufficient to meet the estimated demand for cleaning and
9 shelling purposes at prices at which the Commodity Credit
10 Corporation may sell for such purposes peanuts owned or
11 controlled by it, the State allotments for those States pro-
12 ducing such type or types of peanuts shall be increased to
13 the extent determined by the Secretary to be required to
14 meet such demand. The total increase so determined shall
15 be apportioned among such States for distribution among
16 farms producing peanuts of such type or types on the basis
17 of the average acreage of peanuts (excluding acreage in
18 excess of farm allotments) of such type or types in the
19 three years preceding the year in or for which the allotments
20 are being determined. The additional acreage so required
21 shall be in addition to the national acreage allotment, the
22 production from such acreage shall be in addition to the
23 national marketing quota, and the increase in acreage allotted
24 under this provision shall not be considered in establishing
25 future State, county, or farm acreage allotments.”

1 2. Subsection ~~(d)~~ is amended by changing the second
2 sentence to read as follows:

3 “~~(d)~~ The State acreage allotment for 1952 and any
4 subsequent year shall be apportioned among farms on which
5 peanuts were produced in any one of the three calendar
6 years immediately preceding the year for which such appor-
7 tionment is made, on the basis of the following: Past acreage
8 of peanuts, taking into consideration the acreage allotments
9 previously established for the farm; abnormal conditions
10 affecting acreage; land, labor, and equipment available for
11 the production of peanuts; crop-rotation practices; and soil
12 and other physical factors affecting the production of
13 peanuts.”

14 3. Add new subsections ~~(e)~~, ~~(f)~~, ~~(g)~~, and ~~(h)~~ as
15 follows:

16 “~~(e)~~ Notwithstanding the foregoing provisions of this
17 section, the Secretary may, if the State committee recom-
18 mends such action and the Secretary determines that such
19 action will facilitate the effective administration of the pro-
20 visions of the Act, provide for the apportionment of the State
21 acreage allotment for 1952 and any subsequent year among
22 the counties in the State on the basis of the past acreage of
23 peanuts harvested for nuts ~~(excluding acreage in excess of~~
24 ~~farm allotments)~~ in the county during the five years im-
25 mediately preceding the year in which such apportionment

1 is made, with such adjustments as are deemed necessary for
2 abnormal conditions affecting acreage, for trends in acreage,
3 and for additional allotments for types of peanuts in short
4 supply under the provisions of subsection (c). The county
5 acreage allotment shall be apportioned among farms on the
6 basis of the factors set forth in subsection (d) of this section.

7 “(f) Not more than one per centum of the national
8 acreage allotment shall be apportioned among farms on
9 which peanuts are to be produced during the calendar year
10 for which the allotment is made but on which peanuts were
11 not produced during any one of the past three years, on the
12 basis of the following: Past peanut-producing experience by
13 the producers; land, labor, and equipment available for the
14 production of peanuts; crop-rotation practices; and soil and
15 other physical factors affecting the production of peanuts.

16 “(g) Any part of the acreage allotted to individual
17 farms under the provisions of this section on which peanuts
18 will not be produced and which is voluntarily surrendered
19 to the county committee shall be deducted from the allot-
20 ments to such farms and may be reapportioned by the county
21 committee to other farms in the same county receiving allot-
22 ments, in amounts determined by the county committee to
23 be fair and reasonable on the basis of land, labor, and equip-
24 ment available for the production of peanuts, crop-rotation
25 practices, and soil and other physical factors affecting the

1 production of peanuts. Any transfer of allotments under this
2 provision shall not operate to reduce the allotment for any
3 subsequent year for the farm from which acreage is trans-
4 ferred, except as the farm becomes ineligible for an allotment
5 by failure to produce peanuts during a three-year period, and
6 any such transfer shall not operate to increase the allotment
7 for any subsequent year for the farm to which the acreage
8 is transferred: *Provided*, That, notwithstanding any other
9 provisions of this Act, any part of any farm acreage allot-
10 ment may be permanently released in writing to the county
11 committee by the owner and operator of the farm, and
12 reapportioned as provided herein.

13 “(h) Notwithstanding any other provision of this sec-
14 tion, the allotment determined or which would have been
15 determined for any land which is removed from agricultural
16 production in 1950 or any subsequent year for any purpose
17 because of acquisition by any Federal, State, or other agency
18 having a right of eminent domain shall be placed in a pool
19 and shall be available for use in providing equitable allot-
20 ments for farms owned or acquired by owners displaced
21 because of acquisition of their farms by such agencies. Upon
22 application to the county committee, within five years from
23 the date of such acquisition of the farm, any owner so dis-
24 placed shall be entitled to have an allotment for any other
25 farm owned or acquired by him equal to an allotment which

1 would have been determined for such other farm plus the
 2 allotment which would have been determined for the farm
 3 so acquired: *Provided*, That such allotment shall not exceed
 4 50 per centum of the acreage of cropland on the farm.

5 "The provisions of this section shall not be applicable if
 6 (a) there is any marketing quota penalty due with respect
 7 to the marketing of peanuts from the farm acquired by the
 8 Federal, State, or other agency or by the owner of the farm;
 9 (b) any peanuts produced on such farm have not been
 10 accounted for as required by the Secretary; or (c) the allot-
 11 ment next established for the farm acquired by the Federal,
 12 State, or other agency would have been reduced because of
 13 false or improper identification of peanuts produced on or
 14 marketed from such farm."

15 SEC. 2. Subsection (g) of section 359 of the Agricul-
 16 tural Adjustment Act of 1938, as amended, is amended
 17 (1) by adding after "1947" in the first sentence the words
 18 "or 1948, if no peanuts were harvested on the farm in 1947",
 19 (2) by striking out after the word "That," where it first
 20 appears in the proviso, the following words: "for the 1950
 21 crop", and (3) by inserting the following new sentences
 22 after the fifth sentence: "As an alternative to designated
 23 agencies paying the prevailing oil value for such excess pea-
 24 nuts of any type in insufficient supply and the subsequent
 25 distribution of sales proceeds therefrom in accordance with

1 the foregoing provisions of this subsection, the Secretary
 2 may also authorize peanut buyers approved pursuant to regu-
 3 lations of the Secretary to purchase such peanuts from pro-
 4 ducers at prices not less than those at which such peanuts
 5 may be sold for cleaning and shelling by the Commodity
 6 Credit Corporation. In the event of such authorization by
 7 the Secretary, producers shall have the option of either de-
 8 livering such peanuts to designated agencies or selling such
 9 peanuts to approved peanut buyers, and such sales to ap-
 10 proved buyers shall have the same effect, with respect to
 11 avoidance of the marketing penalty and classification of pro-
 12 ducers as cooperators, as deliveries to designated agencies."

13 SEC. 3. The first sentence of section 363 of the Agricul-
 14 tural Adjustment Act of 1938, as amended, is amended to
 15 read as follows: "Any farmer who is dissatisfied with his
 16 farm marketing quota may, within fifteen days after mailing
 17 to him of notice as provided in section 362, have such quota
 18 reviewed by a local review committee composed of three
 19 farmers from the same or nearby counties appointed by the
 20 Secretary."

21 *That section 358 of the Agricultural Adjustment Act of*
 22 *1938, as amended, is amended to read as follows:*

23 1. Subsection (c) is amended to read as follows:

24 "(c) (1) *The national acreage allotment for 1951, less*
 25 *the acreage to be allotted to new farms under subsection*

1 (f) of this section, shall be apportioned among the States
2 on the basis of the larger of the following for each State:
3 (a) The acreage allotted to the State as its share of the
4 1950 national acreage allotment of two million one hundred
5 thousand acres, or (b) the State's share of two million one
6 hundred thousand acres apportioned to States on the basis
7 of the average acreage harvested for nuts in each State in
8 the five years 1945-1949: Provided, That any allotment
9 so determined for any State which is less than the 1951
10 State allotment announced by the Secretary prior to the
11 enactment of this Act shall be increased to such announced
12 allotment and the acreage required for such increases shall
13 be in addition to the 1951 national acreage allotment and
14 shall be considered in determining State acreage allotments in
15 future years. For any year subsequent to 1951, the national
16 acreage allotment for that year, less the acreage to be allotted
17 to new farms under subsection (f) of this section, shall be
18 apportioned among the States on the basis of their share of
19 the national acreage allotment for the most recent year in
20 which such apportionment was made.

21 “(2) Notwithstanding any other provision of law, if
22 the Secretary of Agriculture determines, on the basis of the
23 average yield per acre of peanuts by types during the preced-
24 ing five years, adjusted for trends in yields and abnormal
25 conditions of production affecting yields in such five years,

1 *that the supply of any type or types of peanuts for any*
2 *marketing year, beginning with the 1951-1952 marketing*
3 *year, will be insufficient to meet the estimated demand for*
4 *cleaning and shelling purposes at prices at which the*
5 *Commodity Credit Corporation may sell for such purposes*
6 *peanuts owned or controlled by it, the State allotments*
7 *for those States producing such type or types of peanuts*
8 *shall be increased to the extent determined by the Secretary*
9 *to be required to meet such demand but the allotment for*
10 *any State may not be increased under this provision above*
11 *the 1947 harvested acreage of peanuts for such State. The*
12 *total increase so determined shall be apportioned among such*
13 *States for distribution among farms producing peanuts of*
14 *such type or types on the basis of the average acreage of*
15 *peanuts of such type or types in the three years immediately*
16 *preceding the year for which the allotments are being deter-*
17 *mined. The additional acreage so required shall be in*
18 *addition to the national acreage allotment, the production*
19 *from such acreage shall be in addition to the national market-*
20 *ing quota, and the increase in acreage allotted under this*
21 *provision shall not be considered in establishing future State,*
22 *county, or farm acreage allotments."*

23 2. Subsection (d) is amended by changing the second
24 sentence to read as follows:

25 “(d) The State acreage allotment for 1952 and any

1 subsequent year shall be apportioned among farms on which
2 peanuts were produced in any one of the three calendar
3 years immediately preceding the year for which such appor-
4 tionment is made, on the basis of the following: Past acre-
5 age of peanuts, taking into consideration the acreage allot-
6 ments previously established for the farm; abnormal condi-
7 tions affecting acreage; land, labor, and equipment available
8 for the production of peanuts; crop-rotation practices; and
9 soil and other physical factors affecting the production of
10 peanuts.”

11 3. Add new subsections (e), (f), (g), and (h) as fol-
12 lows:

13 “(e) Notwithstanding the foregoing provisions of this
14 section, the Secretary may, if the State committee recom-
15 mends such action and the Secretary determines that such
16 action will facilitate the effective administration of the pro-
17 visions of the Act, provide for the apportionment of the State
18 acreage allotment for 1952 and any subsequent year among
19 the counties in the State on the basis of the past acreage
20 of peanuts harvested for nuts (excluding acreage in excess of
21 farm allotments) in the county during the five years imme-
22 diately preceding the year in which such apportionment is
23 made, with such adjustments as are deemed necessary for
24 abnormal conditions affecting acreage, for trends in acreage,
25 and for additional allotments for types of peanuts in short

1 supply under the provisions of subsection (c). The county
2 acreage allotment shall be apportioned among farms on the
3 basis of the factors set forth in subsection (d) of this section.

4 “(f) Not more than one per centum of the national
5 acreage allotment shall be apportioned among farms on
6 which peanuts are to be produced during the calendar year
7 for which the allotment is made but on which peanuts were
8 not produced during any one of the past three years, on the
9 basis of the following: Past peanut-producing experience by
10 the producers; land, labor, and equipment available for the
11 production of peanuts; crop-rotation practices; and soil and
12 other physical factors affecting the production of peanuts.

13 “(g) Any part of the acreage allotted to individual
14 farms under the provisions of this section on which peanuts
15 will not be produced and which is voluntarily surrendered
16 to the county committee shall be deducted from the allot-
17 ments to such farms and may be reapportioned by the county
18 committee to other farms in the same county receiving
19 allotments, in amounts determined by the county committee
20 to be fair and reasonable on the basis of land, labor, and
21 equipment available for the production of peanuts, crop-
22 rotation practices, and soil and other physical factors affect-
23 ing the production of peanuts. Any transfer of allotments
24 under this provision shall not operate to reduce the allotment
25 for any subsequent year for the farm from which acreage is

transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.*

“(h) *Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: Provided, That such allotment shall*

1 not exceed 50 per centum of the acreage of cropland on the
2 farm.

3 *"The provisions of this section shall not be applicable if*
4 *(a) there is any marketing quota penalty due with respect*
5 *to the marketing of peanuts from the farm acquired by the*
6 *Federal, State, or other agency or by the owner of the farm;*
7 *(b) any peanuts produced on such farm have not been*
8 *accounted for as required by the Secretary; or (c) the allot-*
9 *ment next established for the farm acquired by the Federal,*
10 *State, or other agency would have been reduced because of*
11 *false or improper identification of peanuts produced on*
12 *or marketed from such farm."*

13 *SEC. 2. Section 359 of the Agricultural Adjustment Act*
14 *of 1938, as amended, is amended as follows:*

15 1. Subsection (a) is amended by adding at the end
16 thereof a new sentence as follows: *"Notwithstanding any*
17 *other provisions of this title, no refund of any penalty shall*
18 *be made because of peanuts kept on the farm for seed or for*
19 *home consumption."*

20 2. Subsection (g) is amended by (1) adding after
21 *"1947"* in the first sentence the words *"or 1948, if no pea-*
22 *nuts were harvested on the farm in 1947", (2) striking out*
23 *after the word "That," where it first appears in the proviso,*

1 the following words: "for the 1950 crop", and (3) by insert-
2 ing the following new sentences after the fifth sentence: "As
3 an alternative to designated agencies paying the prevailing
4 oil value for such excess peanuts of any type in insufficient
5 supply and the subsequent distribution of sales proceeds
6 therefrom in accordance with the foregoing provisions of
7 this subsection, the Secretary may also authorize peanut
8 buyers approved pursuant to regulations of the Secretary
9 to purchase such peanuts from producers at prices not less
10 than those at which such peanuts may be sold for cleaning
11 and shelling by the Commodity Credit Corporation. In the
12 event of such authorization by the Secretary, producers shall
13 have the option of either delivering such peanuts to desig-
14 nated agencies or selling such peanuts to approved peanut
15 buyers, and such sales to approved buyers shall have the
16 same effect, with respect to avoidance of the marketing
17 penalty and classification of producers as cooperators, as
18 deliveries to designated agencies."

19 SEC. 3. The first sentence of section 363 of the Agri-
20 cultural Adjustment Act of 1938, as amended, is amended
21 to read as follows: "Any farmer who is dissatisfied with his
22 farm marketing quota may, within fifteen days after mailing
23 to him of notice as provided in section 362, have such quota

- 1 reviewed by a local review committee composed of three
- 2 farmers from the same or nearby counties appointed by the
- 3 Secretary."

Passed the House of Representatives March 7, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 167

82ND CONGRESS
1ST SESSION

H. R. 2615

[Report No. 176]

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

MARCH 8 (legislative day, JANUARY 29), 1951
Read twice and referred to the Committee on
Agriculture and Forestry

MARCH 14 (legislative day, MARCH 12), 1951
Reported with an amendment

DIGEST

OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Mar. 20, 1951
For actions of Mar. 19, 1951
82nd-1st, No. 49

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HIGHLIGHTS: Senate passed peanut-quota bill. Rep. Hoffman introduced bills to carry out Hoover Commission recommendations. H. Rules Com. cleared military training bill

SENATE

1. **PEANUTS.** Passed as reported H. R. 2615, to permit additional acreage allotments and marketing quotas for certain peanuts of which there is a short supply (pp. 2647-9). Reps. Cooley, Poage, Grant, Hope, and Andresen were appointed House conferees (p. 2714).
2. **PRICE CONTROL.** Received a resolution from the N. C. Legislature opposing the cotton price-control order (p. 2642).
3. **REPORT.** Both Houses received the USDA report on the foot-and-mouth disease campaign for Jan. 1951 (pp. 2638, 2715).

HOUSE

4. **MILITARY TRAINING.** The Rules Committee reported a resolution for the consideration of S. 1, the military-training, selective-service bill (pp. 2689, 2715).
5. **TREASURY-POST OFFICE APPROPRIATION BILL, 1952.** The Appropriations Committee reported this bill, H. R. 3282, without amendment (H. Rept. 272) (p. 2715). The bill contains appropriations for the Treasury Department, Post Office Department, and the Export-Import Bank of Washington. The Rules Committee reported a resolution to provide for the consideration of the bill and to waive points of order against it (p. 2715).
6. **FARM LABOR.** The Agriculture Committee ordered reported H. R. 3283, to provide for the recruitment of foreign farm workers (pp. D207-8). See also item 14.
7. **R.F.C.** Reps. Mansfield, Mont., and Curtis, Mo., urged continuation of the investigations of RFC (pp. 2682, 2713-4).
8. **FOOD PRODUCTION; IRRIGATION.** Rep. Engle, Calif., inserted William E. Warne's (Assistant Secretary of Interior) recent speech pointing out that by increased use of irrigation and development of new irrigation facilities food production in the world can be greatly increased (pp. 2707-9).

9. RENT CONTROL. Passed without amendment S. J. Res. 39, to continue rent controls until June 30, 1951 (pp. 2689-99). This measure will now be sent to the President.
10. RURAL ELECTRIFICATION. Rep. Withrow, Wis., inserted and discussed a constituent letter objecting to having the Defense Electric Power Administration allocate the critical materials needed for the rural electrification program, and urging the REA make such allocations (pp. 2683-4).
11. FOREST ROADS. Received an Oreg. Legislature memorial relative to the construction of timber access roads in the public forests (p. 2717).
12. ELECTRIFICATION. Received an Idaho Legislature memorial relative to the construction of a power plant at American Falls Dam and construction of Palisades Dam (p. 2717).
13. REPORTS. Received from the President the report of the State Department on the program authorizing a student's exchange program with funds from the disposition of surplus property abroad (H. Doc. 86) (p. 2685); the annual report of the American Chemical Society; the annual report of the Treasury Department (H. Doc. 3); and the report of GSA on contracts for experimental and research work and testing (p. 2715).

BILLS INTRODUCED

14. FARM LABOR. H. R. 3283, by Rep. Poage, Tex., to amend the Agricultural Act of 1949 to provide for the recruitment of foreign farm workers; to Agriculture Committee (p. 2716). See also item 6.
H. J. Res. 208, by Rep. Nahan, Tex., to provide that Federal legislation which prohibits the employment of children during certain hours shall not apply with respect to the harvesting of basic agricultural commodities; to Education and Labor Committee (p. 2717).
15. REORGANIZATION. Rep. Hoffman, Mich., introduced the following bills to carry out the recommendations of the Hoover Commission: (p. 2716):
H. R. 3308, to provide for the reorganization of the Department of Agriculture; to Agriculture Committee.
H. R. 3303, to establish a temporary National Commission of Intergovernmental Relations.
H. R. 3304, to establish principles and policies to govern the management of the executive branch of the Government.
H. R. 3305, to consolidate certain hospital and public health functions in a Department of Health.
H. R. 3306, to establish a Department of Social Security and Education.
H. R. 3307, making certain changes in laws applicable to regulatory agencies of the Government.
H. R. 3309, to reorganize the Interior Department; to Interior and Insular Affairs Committee.
H. R. 3310, to expand the activities of the Commerce Department; to Interstate and Foreign Commerce Committee.
H. R. 3311, to provide a recruitment procedure for the competitive civil service; to Post Office and Civil Service Committee.
H. R. 3312, making various changes in laws applicable to the Post Office Department; to Post Office and Civil Service Committee.
H. R. 3313, to reorganize the Treasury Department; to Ways and Means Committee.
H. R. 3314, to place in GSA the responsibility for several miscellaneous

The roll was called, and the following Senators answered to their names:

Aiken	Gillette	McMahon
Anderson	Green	Magnuson
Bennett	Hayden	Malone
Benton	Hendrickson	Martin
Brewster	Hennings	Maybank
Bricker	Hickenlooper	Millikin
Butler, Md.	Hill	Monroney
Byrd	Moey	Mundt
Cahn	Holland	Murray
Capehart	Humphrey	Neely
Carlson	Hunt	O'Mahoney
Case	Ives	Pastore
Chavez	Jenner	Robertson
Clements	Johnson, Colo.	Russell
Connally	Johnson, Tex.	Saltonstall
Cordon	Kem	Schoeppel
Dirksen	Kerr	Smathers
Douglas	Kilgore	Smith, Maine
Duff	Knowland	Smith, N. J.
Dworshak	Langer	Smith, N. C.
Eaton	Lehman	Sparkman
Ellender	Lodge	Stennis
Ferguson	McCarran	Taft
Flanders	McCarthy	Watkins
Frear	McClellan	Wiley
Fulbright	McFarland	Williams
George	McKellar	

Mr. MCFARLAND. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Maryland [Mr. O'CONNOR] are absent on official committee business.

The Senator from South Carolina [Mr. JOHNSTON] is absent on public business.

The Senator from Louisiana [Mr. LONG] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from California [Mr. NIXON] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senators from Nebraska [Mr. WHERRY and Mr. BUTLER] and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business in attendance on the sessions of the Committee on Organized Crime in New York City.

The Senator from Minnesota [Mr. THYE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

SENATOR FROM KENTUCKY

Mr. CLEMENTS. Mr. President, the Honorable Lawrence W. Wetherby, Governor of the Commonwealth of Kentucky, has filled the vacancy in the Senate caused by the death of our late colleague Virgil M. Chapman, by the appointment of THOMAS R. UNDERWOOD, of Lexington, Ky. I send the certificate of appointment to the desk and advise the President of the Senate that the Senator-designate is in the Chamber.

The VICE PRESIDENT. The certificate of election will be read.

The Chief Clerk read as follows:

CERTIFICATE OF APPOINTMENT

To the PRESIDENT OF THE SENATE OF THE UNITED STATES,

Senate Office Building,
Washington, D. C.:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the Commonwealth of Kentucky, I, Lawrence W.

Wetherby, Governor of said Commonwealth, do hereby appoint Hon. THOMAS R. UNDERWOOD, Lexington, Ky., a Senator from said Commonwealth to represent the State of Kentucky in the Senate of the United States until the vacancy therein caused by the death of Hon. Virgil M. Chapman, Paris, Ky., is filled by election as provided by law—said appointment to become effective March 19, 1951.

Witness: His Excellency our Governor Lawrence W. Wetherby, and our seal hereto affixed at Frankfort, Ky., this 16th day of March in the year of our Lord 1951.

Done at Frankfort, Ky., this 16th day of March in the year of our Lord, 1951, and in the year of the Commonwealth the one hundred and fifty-ninth.

LAWRENCE W. WETHERBY,
Governor.

Attest:
[SEAL]

GEORGE GLENN HATCHER,
Secretary of State.
SUSAN B. RUTHERFORD,
Assistant.

The VICE PRESIDENT. The certificate will be placed on file with the Secretary of the Senate.

The Chair is ready to administer the oath of office to the Senator-designate.

Mr. UNDERWOOD, escorted by Mr. CLEMENTS, advanced to the desk, and the oath prescribed by law was administered to him by the Vice President.

PEANUT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

Mr. MCFARLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider House bill 2615, Calendar No. 167, with the understanding that it may be disposed of in 15 or 20 minutes. This is what is known as the peanut bill. It is said to be very important that the bill be passed before the planting season begins.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1939, as amended, which had been reported from the Committee on Agriculture and Forestry, with an amendment to strike out all after the enacting clause, and insert:

That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

1. Subsection (c) is amended to read as follows:

"(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of 2,100,000 acres, or (b) the State's share of 2,100,000 acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the 5 years 1945-49: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any

year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

"(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding 5 years, adjusted for trends in yields and abnormal conditions of production affecting yields in such 5 years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-52 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts of such type or types in the 3 years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments."

2. Subsection (d) is amended by changing the second sentence to read as follows:

"(d) The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts."

3. Add new subsections (e), (f), (g), and (h), as follows:

"(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the 5 years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

"(f) Not more than 1 percent of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past 3 years, on the basis of the following:

Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

"(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a 3-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

"(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within 5 years from the date of such acquisition of the farms, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 percent of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

SEC. 2. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

1. Subsection (a) is amended by adding at the end thereof a new sentence as follows: "Notwithstanding any other provisions of this title, no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption."

2. Subsection (g) is amended by (1) adding after "1947" in the first sentence the words "or 1948, if no peanuts were harvested on the farm in 1947", (2) striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop", and (3) by inserting the following new sentences after the fifth sentence: "As an alternate to designated agencies pay-

ing the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies."

SEC. 3. The first sentence of section 363 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any farmer who is dissatisfied with his farm marketing quota may, within 15 days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. HOEY. Mr. President, this bill, H. R. 2615, was passed by the House of Representatives, came to the Senate, and was considered by the Committee on Agriculture and Forestry of the Senate. That committee adopted an amendment to the bill by striking out all after the enacting clause of the House measure and inserting in lieu thereof the language of Senate bill 742.

The purpose of the bill is to permit the Secretary of Agriculture to allot additional acreage to farmers producing the type of peanuts which is now in short supply, not to exceed the acreage allotment of 1947. The necessity for this measure arises from the fact that the type of peanuts used for making peanut butter and in other processing operations by manufacturers, is presently in such short supply as to require the importation of this type of peanut from Canada, China, and other countries. The purpose of the measure is merely to meet that situation.

In the House bill there was provision for 79,000 acres increase for Texas and for Alabama to correct an injustice heretofore existing. The Senate bill reduces that acreage to 34,900. This acreage relates to peanuts for oil purposes.

I may say that the bill as now presented is endorsed by the Farm Bureau Federation, it is endorsed by all the peanut growers of all the States involved, and it is endorsed by manufacturers who wish to obtain more peanuts in order to meet the demand. They think the price has gone too high, and that the increase in price is because of the short supply. So the provision of the bill meets the requirement.

Furthermore, I may say that the Senate Committee on Agriculture and Forestry decided that this was as far as they wish to go, and therefore it is not desired or intended to ask for the appointment of conferees, but to let the matter rest on the bill as reported to the Senate by the committee.

The Senator from Vermont [Mr. Aiken] is the ranking Republican member of the committee from which the bill was reported, and he will add whatever he wishes to state with respect to the bill.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. DIRKSEN. As I understand, during 1950 there was a loss on peanuts of \$41,000,000, and for the first month of 1951 a loss of \$7,000,000. Is it anticipated that under the amendment in this bill there will be continuing losses in the calendar year 1951?

Mr. HOEY. No, I may say to the Senator from Illinois that the figures he gave are not exactly accurate. Of the 1949 crop the loss was around \$41,000,000. For 1950 the loss up to this time is about \$5,000,000, but it is not estimated that it will go beyond \$20,000,000. After this bill is passed the reduction in peanut acreage will amount to more than 300,000 acres. Where we are increasing acreage is where production is in short supply, and the increase is needed. That will cause no loss, because the No. 1 peanuts are selling far above parity prices.

Mr. DIRKSEN. Mr. President, will the Senator yield further?

Mr. HOEY. I yield.

Mr. DIRKSEN. I think it is rather singular that having reduced peanut acreages from nearly 3,400,000 to roughly 1,700,000 in 1951, there should be substantial losses. There was a loss in 1949 of roughly \$24,000,000, and according to the Department, from whence I obtained these figures, \$41,000,000 in 1950, and a continuing loss in 1951. I must say, certainly in behalf of my own conviction on the subject, that something must be done to prevent the losses. They seem to me to be inexcusable, in view of the fact there has been a very healthy and substantial market for the type of peanut which Senators are now trying to help, that is, the Virginia type. Yet we find that industrial processors in the Middle West have virtually been priced out of the market, and are thinking very seriously of importing peanuts from China.

I believe that somewhere along the line we will have to hit upon a policy which will be fair not only to the growers but to the end users—the consumers generally and the industrial users, as well—so that this commodity will not be priced out of the market. Otherwise, we shall have to continue to make loans, both on the subsidy side and on the price-support side.

Mr. HOEY. Mr. President, I agree thoroughly with the Senator from Illinois; but I say to him that the supply of so-called edible peanuts for use both by consumers generally and by manufacturers is in short supply, and that situation results in an increase in the price. Peanuts have been selling at far above the parity price, and therefore the price of peanuts today is not affected by the parity price.

During the war, the Government insisted on an increase in the production of peanuts, and their production at that

time was increased to more than 3,000,000 acres. Since that time the acreage producing peanuts has rapidly been reduced, but not rapidly enough to make it possible to avoid losses. However, under the present law—which this bill, when enacted, will not change—the acreage available for crop production for the year 1951 will be reduced by more than 300,000.

Mr. DIRKSEN. I am inclined to agree that this measure is a step in the right direction. However, I think some further steps will have to be taken in order to develop a peanut supply which will be approximately equal to the demand.

Mr. HOEY. That is what this bill, when enacted, will do in large measure.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. GEORGE. Mr. President, I wish to ask the Senator from North Carolina whether this bill would result in a reduction of the acreage allotted to other types of peanuts.

Mr. HOEY. Not at all; the acreage allotments for other types of peanuts will not be changed, except as a result of laws previously enacted. This bill, which I have introduced, and which the Committee on Agriculture and Forestry has reported favorably by unanimous vote, does not change the acreage allotments for other types of peanuts.

Mr. GEORGE. For instance, Spanish peanuts?

Mr. HOEY. It does not change the acreage for that type of peanuts.

Mr. GEORGE. The previous law applies to peanuts of the type which are raised in Texas and Alabama, I believe.

Mr. HOEY. Yes. In that respect, the law previously enacted is controlling; and this measure, when enacted, will not change it, except as to the small increase granted.

The VICE PRESIDENT. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 2615) was read the third time and passed.

STATEMENT BY CHAMBER OF COMMERCE OF THE UNITED STATES CALLING FOR IMMEDIATE DISSOLUTION OF RECONSTRUCTION FINANCE CORPORATION

Mr. KEM. Mr. President, I do not always agree with the official action of the Chamber of Commerce of the United States. On March 16, its board of directors adopted a statement with which I am in hearty accord. It called for immediate dissolution of the Reconstruction Finance Corporation.

I ask unanimous consent that this statement be inserted in the body of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ADOPTED MARCH 16, 1951, BY BOARD OF DIRECTORS OF THE CHAMBER OF COMMERCE OF THE UNITED STATES CALLING FOR IMMEDIATE DISSOLUTION OF THE RECONSTRUCTION FINANCE CORPORATION

Congress should dissolve the Reconstruction Finance Corporation. The rubber, tin,

and abaca programs should be transferred to another Government agency. Remaining corporation assets should be liquidated as rapidly as possible.

The membership of the chamber expressed its attitude on Government corporations at the annual meeting in May 1950. It then said:

"The operation of these corporations should be more rapidly curtailed. Present practices of granting them broad authorizations should be discontinued. Funds for their activities should be made available only by definite appropriation. Their competition with private enterprise should be prohibited. With few exceptions they should be liquidated speedily, with disposal on the market of assets, other than Government securities, which they may possess."

The Reconstruction Finance Corporation was created on January 22, 1932, to provide emergency financing facilities for financial institutions and to aid in financing agriculture, commerce, and industry. It was intended to meet the problems of a severe depression, and it was to terminate at the end of 1 year. Its tenure has been repeatedly extended, but its continued existence in an inflationary era cannot be justified. Today private financial facilities are sufficient to meet normal needs.

Moreover, in anticipation of emergency needs, Congress wrote into the Defense Production Act of 1950 elaborate provisions for credit guaranties by defense agencies on behalf of any business engaged in the defense effort, and for direct loans in connection with defense procurement.

The tendency toward increased interest rates will make business loans more desirable. If the current situation should change and Government credit should again become necessary as an aid to small business, Congress could be depended upon to act as speedily as it did in 1932. The dissolution of RFC would save approximately \$18,000,000 in administrative expense and would reduce Federal personnel—now at record high level—by 3,000 employees.

The facts disclosed by the current investigation of the Fulbright Senate Banking Subcommittee have created uncertainty and distrust concerning RFC procedure. Engaged as we are in a national mobilization effort, we cannot afford to have the integrity or the general moral level of the Government or any of its agencies subject to question.

It is an appropriate time, therefore, to dissolve RFC, without delay.

TENTH ANNIVERSARY OF THE NATIONAL GALLERY OF ART

Mr. MARTIN. Mr. President, the tenth anniversary of the National Art Gallery was celebrated Saturday evening.

Twenty-four thousands persons, including Chief Justice Vinson, Members of Congress, diplomats, and lovers of art from all sections of the United States visited the gallery on this notable occasion. The tenth anniversary was celebrated by placing new accessions valued at \$10,000,000. Included are 116 distinctive paintings, 18 pieces of sculptural importance, and 1306 small bronzes, metals, and plaques.

On behalf of the Commonwealth of Pennsylvania, I speak with the greatest pride in the progress of the National Gallery.

Pennsylvanians have had an outstanding part in its development since it was established as the gift of Andrew W. Mellon to the people of the United States. It was conceived by that distinguished Pennsylvanian for "the use and benefit of the general public." How well his dream has been realized is

shown by the fact that 2,000,000 Americans and thousands of visitors from foreign lands enjoy its cultural benefits each year.

In addition to the gifts from Andrew W. Mellon, Pennsylvania is represented in the permanent collection by art treasures contributed by Joseph E. Widener, Lessing J. Rosenwald, and the Kress Foundation, established by Samuel H. Kress.

These priceless collections are from men who had opportunity in the American way of life. Generally, our men of wealth have used their fortunes for the benefit of the public.

Mr. A. W. Mellon, as Secretary of the Treasury under three Presidents, was not only interested in sound fiscal affairs for his Government, but he had much to do with developing the great Capital City of the United States. Shortly after he had assumed his duties as Secretary of the Treasury, he asserted to some friends that Washington must be made the finest and most beautiful city, with cultural and spiritual centers, because some time it would rank as the greatest capital of the world.

Mr. Mellon's fame rests not only upon his service to the Nation from 1921 to 1932, not only upon his leadership as an industrialist and financier, but mostly upon the practical application of his broad vision in the public interest.

Great institutions devoted to scientific research, to advancing public health and the spiritual growth of the Nation, stand as monuments to his memory.

Today the third generation carries on, through Richard K. Mellon and Paul Mellon, the tradition of the Mellon family.

Under the direction of its board of trustees, headed by Chief Justice Vinson, its president, Mr. Samuel H. Kress, and its director, Dr. David E. Finley, the National Gallery of Art has made progress far beyond the fondest expectations of those who attended its opening 10 years ago.

These distinguished men and their associates deserve much commendation for the work they now are doing in furthering Mr. Mellon's ideals.

ASSIGNMENT OF GROUND FORCES TO DUTY IN THE EUROPEAN AREA

The Senate resumed the consideration of the resolution (S. Res. 99) approving the action of the President of the United States in cooperating in the common defense efforts of the North Atlantic Treaty nations.

Mr. SALTONSTALL. Mr. President, when the shooting in World War II ended in 1945, we in this country were determined to do our utmost to assure a more peaceful world and, as far as possible, to make certain of our security here in the United States. So we joined in forming the United Nations. The Senator from Michigan [Mr. VANDENBERG], with great imagination and foresight, then offered a resolution to see whether under the United Nations, we could not form a subsidiary pact which would give us, through mutual alliance and collaboration, a greater degree of security in the North Atlantic. That resolution was adopted, and from it came

the North Atlantic Pact. That pact, in article 3 states:

The parties separately and jointly by means of continuous and effective self-help and mutual aid will maintain and develop their collective capacity to resist armed attack.

Article 5 determines the responsibilities of the parties to one another in case of aggression. Article 11 states that articles 3 and 5 will be implemented by the constitutional processes of the respective parties to the treaty.

The Senate ratified the pact by an almost unanimous vote, because we felt that it would give greater security to the people of our country. Public opinion approved of the North Atlantic Pact.

The question now before the Senate is the problem of the implementation of article 3. We want to do our part to implement that article in a manner which will give us, within the United States, additional security, in order that we may do our utmost to deter an aggressor from starting a war; and, if war is started, in order that we may be in the best possible position to keep an enemy as far as possible from our shores.

I for one believe that we cannot longer think in terms of a backyard defense of the United States. I believe that we cannot stand alone in a world controlled by communistic forces. I believe we want and need the help of those people in Europe who share our belief in freedom and who themselves want to be free. In short, we, in order to maintain our security, want to do our part to help maintain the security in a free world of those countries who want to help themselves. We cannot defend Europe if Europe is not willing to undertake her own defense. We can help Europe, but, if we are to help her, Europe must prove to us that she is willing to undertake the bulk of her own defense with her own manpower. Personally, I am convinced that we must give Europe the opportunity to prove her willingness to undertake her own defense. General Eisenhower's trip and his report to Congress indicated that the will was there. We must take the calculated risk, to use that term, that the will is there. The 180,000,000 citizens of Western Europe and Scandinavia need us, and we need them. Until we are certain that they are not going to do their part, we must then assume the calculated risk that they are going to defend themselves with our help.

The immediate problem which is before us at the moment is, Shall we send four divisions of ground troops to Europe to supplement the two divisions now in Europe, and place the six divisions under the command of General Eisenhower, as the leader of an international force? If we decide to do this, how is it to be done? Is it to be done by the President alone, or by the President with the approval of Congress—a Congress which represents the voice and opinion of the American people? There is no constitutional question involved. If there were, then it would involve the Air Force and the Navy, as well as ground troops. There can be no distinction between ground troops, the Air Force, and the Navy. Therefore as I view it, it is a question of policy, and of policy alone.

When the President 2 years ago agreed that the United States would, under article 3 of the North Atlantic Treaty, supply certain equipment to our North Atlantic Treaty partners, he asked and obtained the authority of Congress to send equipment. But Congress insisted that before any equipment was sent the Chiefs of Staff certify to the President that a joint plan of defense for the North Atlantic Treaty countries had been established. This certification came through before appropriations were made to furnish the equipment. The price and amount were set forth in the authorization.

More recently, the President has made further commitments. He has agreed that General Eisenhower be named as commander of an international force under the North Atlantic Treaty. As I understand, General Eisenhower serves as commander under the Defense Council, established under the defense plan agreed upon by the North Atlantic Treaty countries. He is responsible to the Council. The President has also announced that he intends to send four divisions of ground troops to supplement the forces of the United States already serving as occupation forces in Europe. All our Armed Forces in Europe are now placed under the command of General Eisenhower. The President specifically stated that he was ordering the four additional divisions to Europe under article 3 of the North Atlantic Treaty. There is no question that the President, as Commander in Chief, can augment the occupation forces, as such, in Germany.

The question now arises as to whether the President as Commander in Chief of our Armed Forces may, without the approval of Congress, order ground troops of the United States to serve as a part of an international army, under an international commander who takes his orders from an international defense council, under article 3 of the North Atlantic Treaty.

Precedents have been established to the effect that, when we are at war, the President has authority as Commander in Chief to link our forces with those of other countries, in a mutual defense. There are ample precedents to establish the fact that the President as Commander in Chief of our Armed Forces, in the interests of our security, may send our troops outside the United States. But the question which now arises creates a new and, in my opinion, a very vital precedent. So it must be carefully considered. Should Congress share with the President the responsibility of putting ground troops in Europe as a part of an international army at a time when there is no act of aggression? Is this the responsibility of the President alone? Is the responsibility of Congress limited to the power of the purse—in other words, the power to decide through the appropriation of funds whether to maintain a force in Europe which the President as Commander in Chief under his own responsibility has placed in an international army? It is not a question to be taken lightly. It involves the fundamental problem of the division of powers between the executive and the legislative. It involves the extent of the

powers of the Commander in Chief in peacetime. It involves the question as to the intent of implementation of article 3 of the North Atlantic Treaty. If the President has power, without the approval of Congress, to send troops into an international army because the security of the United States is involved, how far reaching is this power? Can he go ahead, establish the fact, and then put Congress on the spot for the needed appropriations?

The President, I repeat, is Commander in Chief of the Armed Forces. There is no dispute about that. But the creation and the maintenance of the Armed Forces which are created depend upon the will of Congress. If Congress will not supply pay, clothing, or equipment with which to build an armed force, the President will have no troops to command. If Congress puts restrictions on what the President as Commander in Chief may do with these forces, he must abide by such restrictions, or Congress can withhold appropriations. The Constitution specifically states that "Congress shall have the power to raise and support armies" and it further provides that "no appropriation of money to that use shall be for a longer term than 2 years." Likewise, the Constitution makes it clear that the President is Commander in Chief of the forces that Congress raises.

The Congress is elected to represent the people of the country and if we are to send troops to an international army—and I personally approve of sending four divisions—I consider it is far better that Congress support the program. Congress is closer to the people and reflects the Nation-wide opinion of this country. The support of the people is absolutely essential to an undertaking of this character.

When equipment was sent to implement article 3, the President requested and received the authority of Congress to do so. Otherwise he could not have sent the equipment, as he would not have had any funds for the purpose. Now the President as Commander in Chief has sufficient ground forces under his command to send four divisions to Europe. The Defense Department has sufficient appropriations to support these troops. But, if the troops are sent and supported, supplementary appropriations to the Defense Department will undoubtedly become necessary very shortly. In my opinion, it is wisdom and good judgment to have Congress approve of the policy of sending men into an international army in peacetime as an implementation of article 3. It puts the force of public opinion behind the decision of the President. It also gives him the full force of the constitutional processes of our Government.

But if Congress does approve of this policy, how detailed must its approval be? Should it be to each unit of troops? Should it be in the nature of a more general approval of policy, such as is stated by the requirement that the European nations furnish the bulk of the majority fraction of the ground troops? If it is in general terms, when should Congress give additional approval if a change of policy is desired? I believe

on this story, which probably is the greatest story of his career, for months and months, because he was not able to get action by the appropriate authorities to take the necessary interest in it to correct the dangers. We all know that newspaper reporters and radio commentators are always looking for "scoops." It is, then, to Mr. Harvey's credit that he has not broken this story on the air before. He has put the interest and security of his country above any personal recognition. He did not mention what a sincere investigation would disclose until he learned that the Department of Justice had ordered a grand jury hearing. I understand the hearing was called for today, in an attempt to indict Mr. Harvey for entering the Argonne Laboratory without authority.

Mr. Speaker, you may be interested to know that on February 13, 1951, I wrote the following letter to Senator BRIEN McMAHON, chairman of the Joint Committee on Atomic Energy:

Senator BRIEN McMAHON,
Chairman, Joint Committee on Atomic Energy,
United States Senate,
Washington, D. C.

MY DEAR SENATOR McMAHON: During the last few days the newspapers have carried stories regarding the fact that the well-known radio commentator, Paul Harvey, was intercepted in the course of testing the physical security of the Argonne Laboratories, which are located just outside the city of Chicago. One newspaper mentioned the fact that your committee was going to make a thorough investigation of this situation, for which I commend you very highly.

I am one of the persons in Washington who has worked with Paul Harvey on certain phases of an investigation of our Nation's security, and I say without hesitation and with no mental reservation that there is not a man in America whose patriotism and loyalty to his country exceeds that of Mr. Harvey. Mr. Harvey, being bound by matters involving security and confidence, is remaining silent, even to the extent of placing his reputation in jeopardy.

In view of the circumstances, I respectfully ask that he and certain other witnesses be brought before a closed session of the Joint Senate-House Committee on Atomic Energy at the earliest opportunity.

Sincerely yours,

FRED E. BUSBEY.

On February 15, 1951, I received the following letter from Senator McMAHON, dated February 14, 1951:

Hon. FRED E. BUSBEY,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BUSBEY: Thank you for your letter of the 13th.

We are going to make a most thorough examination into the Harvey matter and we will see that justice is done.

I appreciate your interest.

Sincerely yours,

BRIEN McMAHON,
United States Senator.

On February 12, 1951, I gave the press and radio the following release:

[For immediate release, February 12, 1951]
From the office of Representative FRED BUSBEY, Republican, Illinois.

I am one of the persons in Washington who has worked with Paul Harvey on certain phases of an investigation of our Nation's security.

Mr. Harvey, bound by matters involving security and confidence, is remaining silent, even to the extent of placing his reputation in jeopardy.

I ask that he and certain witnesses be brought at the earliest opportunity before a closed session of the Joint Senate-House Committee on Atomic Energy.

The release was carried in many papers throughout the country, particularly here in Washington and in Chicago. It was also carried on the radio. I think it is quite significant that all during the time since the release was given out that I have not been interviewed by a single individual from the Atomic Energy Commission, the Joint Committee on Atomic Energy, the Federal Bureau of Investigation, or any other agency of Government.

Mr. Speaker, I have no hesitancy in vouching for the loyalty and patriotism of Paul Harvey. Again may I say I commend him, not only for his patriotism and loyalty to his country in his attempt to call to the attention of proper authorities the deplorable conditions at the Argonne Laboratory, but the fact that he has not, up until now, made any public reference to many facts known to him on the subject. I contend the Atomic Energy Commission has closed its eyes and permitted these deplorable conditions to exist. It is up to the Commission to do something about it. Mr. Harvey has many witnesses to verify facts which are known to him if he could only be given an opportunity to present them to the Joint Atomic Energy Committee of Congress.

Mr. Speaker, it is not going to make any difference how many troops we send to Europe; it is not going to make much difference how we handle the President's budget; it is not going to make any difference how many die in Korea if we leave the back door open and permit the Communists to come in our top secret places, and particularly our atomic energy installations, until an atomic bomb is exploded in our midst.

In order that all of the Members of Congress may have the privilege of reading Mr. Harvey's broadcast of last night, I have asked for a copy. Mr. Speaker, I ask unanimous consent at this time to insert its contents in the Appendix of the RECORD when it is received at my office.

THE SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUSBEY. Mr. Speaker, I think it is high time that the Joint Atomic Energy Committee of Congress give Mr. Harvey a hearing—a hearing he is not only entitled to in fairness and justice to him, but for the protection of atomic secrets we have left, if any—for the defense of our country. I shall again direct a letter to Senator BRIEN McMAHON, the chairman of the Joint Committee on Atomic Energy, in the hope that he can at least send a subcommittee to Chicago at once to start hearings on this subject which means so much to the future of our country.

SPECIAL ORDER

THE SPEAKER pro tempore. Under previous order of the House, the gentle-

man from Missouri [Mr. CURTIS] is recognized for 10 minutes.

HONESTY IN GOVERNMENT

Mr. CURTIS of Missouri. Mr. Speaker, the scandals we read about in the papers demonstrate not so much the breakdown of law enforcement in this country, at the present time, as the breakdown of law enforcement which occurred several years ago.

The distinguished Member of the other body in my opinion is properly concerned about the propriety of the subcommittee of which he is chairman going further into the RFC mess. The job is one that should be done by the Attorney General. It is a job that should have been done by the Attorney General several years ago.

However, the Attorney General is not going to do his job now any better than he has done it before. The RFC is only one of the scandals that the Justice Department has been sitting on for several years, and as long as the Justice Department is headed by a former chairman of the national committee of the party in charge of executive appointments I believe we can expect no more.

It has been stated that the Republicans wish to continue the RFC investigations to make a Roman holiday out of the thing and to play politics.

Honesty is not a matter of party politics. I have never known crooks, be they petty crooks or those who feel that they, as Neitsche supermen, are beyond good and evil, who cared a snap about party principles or party organization. They will follow wherever power lies.

The only reason honesty is considered by some to be partisan is because the power has been with the Democrat Party for some time. But as in Kansas City smart crooks reduce the odds to the bare minimum. They were certain to line up some people in the Republican Party when Pendergast ruled with his Democratic machine. The same is possibly true on a national scale. If we dig into the matters at hand, I am afraid, the corruption being so widespread, we may find Republicans as well as Democrats indulging in their traitorous orgies while the country burns.

This is not a partisan matter. This is a matter for patriots, whatever party they are in or whether they are among those who have shown such little interest in their government that they are in neither party, enjoying the luxury. I might add, of looking down their noses at both parties.

It is necessary for both Houses of Congress to continue their investigations until such time as the President removes the faithless people from the Justice Department and replaces them with citizens who will perform the duties of the law-enforcing arm of the executive branch of our Government.

The danger of a failure to go on now, has been brought out in the present investigation of Government surplus properties here and abroad by a subcommittee I am now on. Had another subcommittee completed its job of investigating 5 percentism which it undertook in August of 1949, I am satisfied the Govern-

ment would have saved millions of dollars, and what is more important would have saved vital materials and equipment which it now needs. It would also have cleaned out of the Government certain faithless servants who are still in the Government and encouraged the faithful to go about their tasks with the realization that faithlessness does not pay.

In other words, we have crossed the same trail that was abandoned. We have crossed it incidentally just about at the point where it was abandoned and the damage that has been done results from subsequent activities of the parties hidden in the bushes as the hunters returned home carrying the rabbit thrown in their path as a decoy. I wonder if some of the hunters did not hear the rustle in the bushes and look the other way?

I urge the congressional committees to continue their work. All scratching of the surface leads to the same cesspool. It is not just RFC. It is not just national gambling allied with political machines. It is not the scandals of the Maritime Commission, or of the black market meat cases which remain unprosecuted from the last war. It is not the present income-tax fixing which is coming to light in St. Louis and exists all over the Nation, in reference to which I today inserted an editorial from the St. Louis Post Dispatch; it is not the fact that one George Dawson, allegedly convicted of black-market operations in England, and accused of selling surplus war materials to the Chinese Communists, gained a corner on our war-surplus goods; it is not the failure to enforce the antitrust laws, or when they are enforced to have the parties picked for prosecution on a political basis, as was admitted; it is not just the failure to enforce the many cases brought before the Justice Department when the parties involved had sufficiently high connections. It is not any one of these things. It is the sum total.

In my opinion there is only one solution to this mess. Clean out the Justice Department and until it is cleaned out and ready to operate, the congressional committees will have to continue to pinch hit and try to keep morality in line by publicity instead of punishment. It is a sorry choice.

In concluding my remarks, I hope we will hear an end to this prattle that the present RFC disclosures reveal no criminal action on the part of the executive officials involved. An examination of the criminal laws of this country already written should disabuse anyone of this fact. Crimes have been committed. Crimes are still being committed, and the Justice Department sits on its hands.

The Attorney General still has not answered my letter to him of February 14, 1951, wherein I cited six Federal statutes which the testimony before the Senate subcommittee at that date, February 16, indicated had been violated in at least 21 specific instances. Since February 16, the hearings have revealed many additional apparent violations, and this does not include the many instances of possible perjury.

AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, HOPE, and AUGUST H. ANDRESEN.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SCRIVNER (at the request of Mr. HOPE), on account of death in his family.

To Mr. BROWNSON (at the request of Mr. ARENDS), until April 4, on account of official business.

EXTENSION OF REMARKS

Mr. ENGLE (at the request of Mr. HOLIFIELD) was given permission to revise and extend the remarks he made today.

Mr. DOUGHTON asked and was given permission to extend his remarks and include a speech made by Hon. James F. Byrnes, Governor of South Carolina, before the North Carolina Citizens Association at Raleigh, N. C. on March 14, 1951.

Mr. BOLLING asked and was given permission to extend his remarks and include an editorial from the Washington Post.

Mr. JONES of Alabama asked and was given permission to extend his remarks and include an editorial from the Florence (Ala.) Times, of March 13, 1951.

Mr. PRICE asked and was given permission to extend his remarks in six instances and include extraneous matter.

Mr. LARCADE (at the request of Mr. PASSMAN) was given permission to extend his remarks.

Mr. BURLISON asked and was given permission to extend his remarks and include a newspaper article.

Mr. DOYLE asked and was given permission to extend his remarks in three instances and include appropriate material.

Mr. BYRNE of New York asked and was given permission to extend his remarks and include a copy of a letter and a copy of a statement by Federal Security Administrator Oscar Ewing.

Mr. LANE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. ARMSTRONG asked and was given permission to extend his remarks and include an article on manpower by Major Seversky.

Mr. MASON asked and was given permission to extend his remarks on the subject Delivered Pricing Fog and include a short article.

Mr. SADLAK asked and was given permission to extend his remarks in two instances and include in one an editorial and in the other a letter.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. ALLEN of California and Mr. GROSS asked and were given permission to extend their remarks and include extraneous matter.

Mr. TALLE asked and was given permission to extend his remarks and include testimony on forest conservation given by him before the Agriculture Subcommittee of the Appropriations Committee.

Mr. FEIGHAN asked and was given permission to extend his remarks and include a St. Patrick's Day address.

Mr. HARRIS asked and was given permission to extend his remarks on ceilings on cotton.

Mr. HARRIS asked and was given permission to extend his remarks and include an editorial on Iranian oil.

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter, and further to extend my remarks and include a speech made by my colleague, the gentleman from California [Mr. SHELLEY] on St. Patrick's Day.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HARRISON of Virginia (at the request of Mr. PRIEST) was given permission to extend his remarks and include an editorial.

Mr. MULTER asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. SHELLEY (at the request of Mr. DOYLE) was given permission to extend his remarks.

Mr. WOLCOTT asked and was given permission to revise and extend the remarks he made on House Joint Resolution 196.

Mr. POTTER (at the request of Mr. KEATING) was given permission to extend his remarks and include a radio address.

Mr. HARVEY (at the request of Mr. KEATING) was given permission to extend his remarks and include a newspaper article.

Mr. PATTERSON asked and was given permission to extend his remarks and include an editorial regarding Mr. MORANO.

Mr. HESELTON and Mr. NORBLAD asked and were given permission to extend their remarks in two instances and include in each extraneous matter.

Mr. SPENCE asked and was given permission to revise and extend the remarks he made on House Joint Resolution 196.

Mr. MURDOCK asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. HOPE asked and was given permission to extend his remarks in two instances, and in each include additional matter.

DIGEST

OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Mar. 21, 1951
For actions of Mar. 20, 1951
82nd-1st, No. 50

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HIGHLIGHTS: Senate refused to have conference with House on peanut-quota bill. Reps. Poage and Cooley strongly criticized the Senate's action on peanut-bill conference. Rep. Reed (N.Y.) criticized "propaganda" against farm cooperatives and defended co-op tax status.

SENATE

1. **PEANUTS.** On motion by Sen. Ellender, disagreed to the request of the House for a conference on H. R. 2615, relating to acreage allotments and marketing quotas for peanuts, and insisted upon the Senate amendment (pp. 2723-4).
2. **FORESTRY.** The Interior and Insular Affairs Committee voted to report, but did not actually report, S. 109, to protect scenic values along the Grand Canyon Park South Approach Highway in the Kaibab National Forest, Ariz. (p. D212).
3. **STATEHOOD.** The Interior and Insular Affairs Committee agreed to vote April 3 on S. 49 and S. 50, the Hawaii and Alaska statehood bills (p. D212).
4. **NOMINATION.** The Labor and Public Welfare Committee voted to report favorably the nomination of Alan T. Waterman to be Director of the National Science Foundation for 6 years (p. D212).

HOUSE

5. **PEANUTS.** Rep. Poage, Tex., strongly criticized the action of the Senate in refusing to appoint conferees on H. R. 2615, relating to acreage allotments and marketing quotas for peanuts, and invited the Senate to reconsider its action. Rep. Cooley, N. C., said the action "is an insult to this House and an outrage to the traditions of the Congress." (p. 2777.)
6. **COOPERATIVES; TAXATION.** Rep. Reed, N. Y., criticized the National Tax Equality Association, claiming it has been "directing its vicious propaganda against the farm cooperatives." He inserted a list of contributions to the Association, and defended the tax status of cooperatives and the right of farmers to use the cooperative for marketing and purchasing, asserting that "the farm cooperative has been helpful to the farmer, the stock raiser and the laborer, as well as the manufacturer." (pp. 2793-801).

7. TREASURY-POST OFFICE APPROPRIATION BILL, 1952. Began debate on this bill, H. R. 3282, and adopted several amendments to reduce funds for the Treasury Department (pp. 2765-86).
8. FOREST LANDS. The Agriculture Committee reported without amendment H. R. 3040, to authorize the Secretary of Agriculture to convey certain lands in Ogden, Utah, to the Ogden Chamber of Commerce (H. Rept. 279) (p. 2802).
9. TRANSPORTATION. Rep. O'Hara, Minn., called attention to necessity for moving grain from the midwest before it deteriorates, urged that boxcars be made available to ship it, and inserted a telegram from the Governors of Minn., N. Dak., Mont., and S. Dak., on the subject (p. 2786).
10. REORGANIZATION; PERSONNEL. Rep. Chatham, N. C., discussed the proposed amalgamation of the personnel of State Department and the Foreign Service, reviewed the recommendations of the Hoover Commission on the subject, and told of consideration of the plan by the Foreign Affairs Committee (pp. 2787-93).
11. TIMBER ACCESS ROADS. Received an Oreg. Legislature memorial favoring the construction of access roads to national forest timber (p. 2803).
12. WATER POLLUTION. Received Mass. Legislature memorials urging appropriations for the elimination of stream pollution (p. 2803).
13. WATER COMPACT. Received a compact between Mont., N. Dak., and Wyo. for the use of the waters of the Yellowstone River (p. 2802).
14. LANDS. Received from the Interior Department a proposed bill to amend the act authorizing the disposal of materials on the public lands; to Interior and Insular Affairs Committee (p. 2802).
15. SOCIAL SECURITY. Received the annual report of the Social Security Administration (p. 2802).
16. TRANSPORTATION. Received from the Commerce Department a proposed bill to provide for priorities in transportation by merchant vessels in the interest of national defense; to Merchant Marine and Fisheries Committee (p. 2802).
17. FOREIGN AID. Received a Women's Society of Christian Service petition favoring shipment of surplus wheat to India (p. 2803).
18. ROADS. Received an Alaska Legislature memorial urging that arrangements be made with Canada for certain surveys and road construction; to Public Works Committee (p. 2803).

BILLS INTRODUCED

19. FOREIGN AID. S. 1164, by Sen. Chavez, to extend the provisions of the Economic Cooperation Act of 1948 so as to make them applicable to any nation friendly to the interests of the U. S., and to transfer certain programs and agencies of the Federal Government to the Economic Cooperation Administration; to Foreign Relations Committee (p. 2721). In a statement explaining the purpose of his bill, Sen. Chavez said it would "place all foreign economic and technical assistance and essential supplementary informational services under...the Economic Cooperation Administration" (pp. 2721-2).
20. REORGANIZATION. S. 1166, by Sen. McClellan (for himself and Sens. Benton, For-

to authorize reimbursement for such travel by privately owned automobiles at a rate of not exceeding 7 cents per mile;

H. R. 389. An act for the relief of the State of Maryland;

H. R. 1746. An act to amend subdivisions d and e of section 58 of the Bankruptcy Act, approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 2829. An act to exempt the members and certain employees of the President's Commission on Internal Security and Individual Rights from the operation of certain conflict-of-interest statutes; to the Committee on the Judiciary.

H. R. 317. An act to amend the National Service Life Insurance Act of 1940, as amended, to authorize provisions in national service life-insurance policies for increased monthly disability benefits; and

H. R. 321. An act to provide that on and after January 1, 1952, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash; to the Committee on Finance.

H. R. 319. An act to amend title III of the Servicemen's Readjustment Act of 1944, as amended, by providing for treble damage actions; and

H. R. 2685. An act to authorize the Administrator of Veterans' Affairs to reconvey to Tuskegee Institute a tract of land in Macon County, Ala.; to the Committee on Labor and Public Welfare.

REVISION OF ITALIAN PEACE TREATY WITH RESPECT TO CERTAIN INHERENT RIGHTS OF ITALY

Mr. LODGE (for himself and Mr. PASTORE) submitted the following resolution (S. Res. 102), which was referred to the Committee on Foreign Relations:

Whereas the free states of the world have repeatedly sought the admission of Italy to membership in the United Nations where Italy could contribute her strength and productive capacity in support of the principles and purposes of the Charter;

Whereas the Soviet Union has vetoed the admission of Italy to the United Nations;

Whereas Soviet denial of United Nations membership to Italy not only impairs her inherent right of individual and collective self-defense as recognized by article 51 of the Charter, but also prevents full Italian participation in the North Atlantic Treaty;

Whereas the inability of Italy to contribute fully to the collective defense of the North Atlantic area weakens the defenses of all parties to the treaty;

Whereas Bulgaria, Hungary, and Rumania have, with the collusion of the Soviet Union, violated the military clauses of the peace treaties concluded with them and now threaten Yugoslavia by displays of military might: Now, therefore, be it

Resolved by the Senate, That—

1. In view of the foregoing considerations, the Senate disapproves of those provisions of the treaty of peace, entered into on February 10, 1947, by the Allied and Associated Powers and Italy, which interfere with the inherent right of the Italian Government and people to defend themselves and believes therefore that Italy should be relieved of them.

2. To that end, the Senate requests the President to take immediate steps in co-operation with other parties to the Italian treaty who are also parties to the North Atlantic treaty to seek the necessary revision of the Italian treaty.

ENLISTMENT OF ALIENS IN THE ARMY—LETTER FROM THE SECRETARY OF THE ARMY

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I have received from the Secretary of the Army inform-

ing me that the Army is about to proceed to enlist selected aliens in accordance with the so-called Lodge-Philbin Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
Washington, March 17, 1951.
Hon. HENRY CABOT LODGE, Jr.,
United States Senate.

DEAR SENATOR LODGE: I have your letters of February 21 and March 7, in which you urge prompt implementation of Public Law 597, providing for enlistment of 2,500 aliens in the Army.

I am pleased to advise that the favorable responses of the Departments of State and Justice have been received, and that final action is now being taken to implement the law. You may be assured our instructions to initiate these enlistments will be issued within the next few days.

Since this law applies to a limited number of individuals, and the intent of Congress, as evidenced in hearings, appears to confine the enlistments to nonresident aliens, special instructions, which are designed to fit the specific problems peculiar to this type of applicant and which will provide personnel on a best qualified basis, will be issued in order that the law may be administered more efficiently.

I sincerely appreciate your continued interest in this matter.

Sincerely yours,

FRANK PACE,
Secretary of the Army.

ADDRESSES BY THE ATTORNEY GENERAL, SENATOR CHAVEZ, AND HON. JENNINGS RANDOLPH BEFORE THE AMERICAN ROAD BUILDERS ASSOCIATION

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD addresses delivered, respectively, by himself, by the Attorney General of the United States, and by Hon. Jennings Randolph before the American Road Builders Association at their convention in Milwaukee, Wis., March 12-14, 1951, which appear in the Appendix.]

A PROPOSED BLUEPRINT FOR VICTORY IN 1952—EXTRACTS FROM ADDRESS BY SENATOR MUNDT

[Mr. BRICKER asked and obtained leave to have printed in the RECORD a release containing excerpts from an address on the subject, A Proposed Blueprint for Victory in 1952, delivered by Senator MUNDT before a meeting of the executive committee of the National Federation of Young Republican Clubs, which appears in the Appendix.]

WOMEN IN CIVIL DEFENSE—ADDRESS BY REPRESENTATIVE BOSONE

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an address on the subject, Women in Civil Defense, delivered by Representative REVA BECK BOSONE at the intracity dinner of the Altrusa, Pilot, Quota, Soroptimist, and Zonta Clubs of Washington, D. C., which appears in the Appendix.]

IMPOSITION OF CONTROLS—ADDRESS BY ALAN H. VALENTINE

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an address on the subject, Controls: By Whom and for What? delivered by Alan H. Valentine at the thirty-first annual luncheon of the Associated Industries of Cleveland at the Statler Hotel, Cleveland, Ohio, on March 14, 1951, which appears in the Appendix.]

MEDICINE IN CRISIS—ARTICLES BY SELIG GREENBERG

[Mr. PASTORE asked and obtained leave to have printed in the RECORD the tenth and

eleventh articles by Selig Greenberg in the series Medicine in Crisis, the tenth being entitled "Philanthropists Made Possible 1910-30 Advances," published in the Providence Evening Bulletin of March 8, 1951, the eleventh being entitled "United States Medical Schools Look to Two Sources for Help," published in the Providence Journal of March 10, 1951, which appear in the Appendix.]

RESULTS OF A POLL ON PUBLIC QUESTIONS—EDITORIAL FROM THE SACRAMENTO UNION

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an editorial entitled "So Congress Can Know," published in the Sacramento Union of March 11, 1951, which appears in the Appendix.]

THE ST. LAWRENCE WATERWAY—EDITORIAL FROM THE PHILADELPHIA DAILY NEWS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "The St. Lawrence Delusion," published in the Philadelphia Daily News of March 15, 1951, which appears in the Appendix.]

COMPLAINTS ABOUT CONDITIONS OF TODAY—LETTER TO THE EDITOR OF ST. LOUIS GLOBE DEMOCRAT

[Mr. KEM asked and obtained leave to have printed in the RECORD a letter by a Missourian to the editor of the St. Louis Globe-Democrat, which appears in the Appendix.]

RURAL SCHOOLS—ARTICLE BY BENJAMIN FINE

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Rural Schools Still Inferior Despite Gains, Study Shows," written by Benjamin Fine, and published in the New York Times of March 12, 1951, which will appear hereafter in the Appendix.]

RACIAL DISCRIMINATION IN THE ARMED FORCES—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Complaint Against the Army," published in the New York Herald Tribune of March 9, 1951, which appears in the Appendix.]

HOSPITALS FOR DEFENSE—EDITORIAL FROM THE DODGE COUNTY INDEPENDENT

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Hospitals for Defense," published in the Dodge County Independent of February 22, 1951, which appears in the Appendix.]

POINTERS ON POINT 4—EDITORIAL FROM THE WASHINGTON POST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Pointers on Point 4," published in the Washington Post of March 13, 1951, which appears in the Appendix.]

WHERE ARE OUR SHIPS?—ARTICLE BY THEODORE BRENT

[Mr. LONG asked and obtained leave to have printed in the RECORD an article entitled "Where Are Our Ships?" written by Theodore Brent, president of the Delta Line, and published in the March 1951 issue of the American magazine, which appears in the Appendix.]

PEANUT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

Mr. ELLENDER. Mr. President, I ask the Chair to lay before the Senate the message from the House of Representatives regarding House bill 2615.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. Mr. President, yesterday, during the debate on House bill 2615, as shown by page 2648 of the RECORD, the Senator from North Carolina [Mr. HOEY], who was the manager of the bill in the Senate, said:

Furthermore, I may say that the Senate Committee on Agriculture and Forestry decided that this was as far as they wish to go, and therefore it is not desired or intended to ask for the appointment of conferees, but to let the matter rest on the bill as reported to the Senate by the committee.

In view of the action taken by the Senate committee, I now move that the Senate disagree to the request of the House for a conference, and that the Senate insist upon its amendment to the bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Louisiana.

The motion was agreed to.

CERTIFICATES OF NECESSITY AND TAX AMORTIZATION IN CONNECTION WITH DEFENSE PRODUCTION

Mr. MAYBANK. Mr. President, I ask unanimous consent to make a brief statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from South Carolina may proceed.

Mr. MAYBANK. I wish to call to the attention of the Senate the matter of officials of NPA granting to corporations so-called certificates of necessity and amortization in connection with defense production. I call it to the attention of the Senate because the Senate and the House placed in the law a provision for a "watchdog committee" of which I am chairman, and of which Representative Brown of Georgia is vice chairman.

Yesterday I learned that there had been requests for \$11,500,000,000 worth of certificates of necessity and amortization. Two and a half billion dollars worth of such certificates have been granted, principally to large corporations.

I am not speaking against large corporations. However, I call this matter to the attention of the Senate because such procedure will affect our tax structure and the collection of taxes, especially if certificates of necessity are to be issued to railroads and other corporations not vitally concerned in the war effort.

One Saturday I talked for a long time with the Senator from Georgia [Mr. GEORGE]. I believe that the Committee on Finance should look into this question. Congress is called upon to levy more taxes upon working people, upon small business, and upon the other already overburdened taxpayers, while at the same time we are issuing certificates of necessity and amortization to corporations. Nothing could be more infla-

tionary than the certificates of necessity and the amortization certificates which are now being handed around. This is especially true in the case of corporations which are not engaged to the extent of 100 percent, or 90 percent, in the production of the vital necessities for winning the war. Eleven billion and a half dollars worth of such certificates have been requested.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LEHMAN. I very strongly agree with what the Senator had said; but is it not a fact that many of the certificates of necessity have been issued to corporations for erecting new facilities, the use of which will extend far beyond the period of 5 years?

Mr. MAYBANK. The Senator is correct. Furthermore, under the law certificates of necessity have been given to corporations which already had started building, even before the law had been enacted. I warn the Senate that such a practice will create inflation and result in more taxes being levied on poor people. Senators may as well be prepared for it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. HUMPHREY. First I wish to commend the Senator from South Carolina for what I consider to be a most emphatic observation on a very serious economic problem. As a member of the Senate Small Business Committee, it has been brought to my attention that in instances in which large contracts are being given to large companies the companies are also receiving certificates of necessity, enabling them to extend their facilities when perhaps in the same community there may be a small-business plant with the facilities, the tools, and the manpower to fulfill a part of such a contract.

Mr. MAYBANK. The Senator is correct. As I have said \$11,500,000,000 worth of such certificates have been requested. Already \$2,500,000,000 worth have been issued. How many more it is proposed to issue, I do not know. However, it is my duty as chairman of the so-called watchdog committee to warn the Senate. In my conversation with the Senator from Georgia in his office on last Saturday, I brought this subject to his attention as chairman of the Committee on Finance. He knew about it, and he asked me to get whatever information I could. These certificates are going to affect the tax structure, and they will result in inflation.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. FERGUSON. Are those making the applications complying with the statutes now in force?

Mr. MAYBANK. To the best of my knowledge, they are in most cases, but in some cases, perhaps not.

Mr. FERGUSON. Does the Senator believe that new legislation is needed on the subject at this time?

Mr. MAYBANK. I believe new legislation is needed, yes. I am having lawyers

check to determine the facilities involved, and their connection with the emergency program. I do not charge them with violating the law or doing anything wrong. I charge that what they are doing will result in bringing about a condition under which Mr. John Q. Public, the small-business man, the man who is in the middle, will be paying most of the taxes.

Mr. FERGUSON. Is it not also the opinion of the Senator from South Carolina that it is not necessary at the present time to issue such certificates in order to secure the necessary construction and material?

Mr. MAYBANK. In some instances, in my opinion, it is not, but I do not have all the information necessary to pass judgment. I have asked for all the information obtainable with respect to the \$11,500,000,000 worth of applications, and for all the information that can be obtained with respect to the \$2,500,000,000 worth of applications which already have been granted. If we are to have a balanced budget, I can say that the Finance Committee is really going to confront a difficult problem. As I previously stated, Mr. John Q. Public is going to be called upon to pay additional taxes for the benefit of those who are securing these certificates.

Mr. FERGUSON. I think the Senator from South Carolina has performed real service by calling the attention of the Senate to what is going on in the field he has described.

Mr. MAYBANK. That is all I wanted to do now. That was my purpose. I condemn no one. I simply call the attention of the Senate to the existing situation, and I wish Members of the Senate would go into the matter further.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield.

Mr. KEM. I wish to ask the able Senator from South Carolina if he shares the view I hold, and which many others hold, that if it were not for the fact that a great deal of money is made by certain people out of war we would not have so many wars?

Mr. MAYBANK. That is a very big question, Mr. President. I did not intend to discuss the subject of profits from war. But I certainly think it is my duty, as chairman of the "watchdog committee," the Joint Committee on Defense Production, to call to the attention of the Senate that if the practice I have described continues, there will be a loss of taxes, and the Finance Committee will have to find ways and means of making up the shortage if we are to have a balanced budget. It is as essential that amortization certificates and certificates of necessity be limited to cases of absolute necessity as it is to cut out nonessential expenditures.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. HUMPHREY. Is it not true that many plants which have received certificates of necessity already had plans prepared and contracts ready to be consummated under the old normal tax schedule rather than under the present amortization plan?

Nov 4

D I G E S T

OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Apr. 5, 1951
For actions of Apr. 4, 1951
82nd-1st, No. 60

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HIGHLIGHTS: House agreed to Senate amendment to peanut-quota bill. Ready for President. Senate committee voted to report farm-labor bill. House debated military-training bill. Sen. Langer submitted resolution to investigate farm-machinery situation.

HOUSE

- 1. PEANUTS.** Agreed to the Senate amendment to H. R. 2615, to amend the law regarding acreage allotments and marketing quotas for peanuts (pp. 3396-7). This bill will now be sent to the President.
Rep. Cooley said: "The effect of the amendment is to decrease by about 50 percent the peanut-acreage allotment which had been authorized in the House bill...the bill had two purposes: First, to permit the Secretary of Agriculture to liberalize acreage in the Virginia-North Carolina area where the edible peanut is grown, so that the acreage might be increased as much as might be necessary to meet the consumer demands; and, second, to correct an inequity in Alabama and Texas which resulted from a bill which we passed in 1949." Rep. Rankin said he would not object, since the bill "is a little improvement over the hideous law we now have."
- 2. MILITARY TRAINING.** Continued debate on S. 1, the military training and service bill (pp. 3397-420).

SENATE

- 3. FARM LABOR.** The Agriculture and Forestry Committee voted to report (but did not actually report) S. 984, to authorize the Government to carry out its part of the agreement reached with Mexico with respect to importation of foreign agricultural labor (p. D247).
- 4. FARM PRICES.** Sen. Langer inserted a letter from P. T. Beardsley defending the parity principle in connection with farm prices (p. 3352).
- 5. RECLAMATION.** Sen. Bennett commended the work of Sen. Watkins in fostering the irrigation and reclamation program in Utah (pp. 3352-3).

6. MEAT TAXES. Sen. Butler, Nebr., criticized a recent proposal that meat be taxed as a luxury item, saying that meat is a necessity and that taxing it would be "nonsense" (p. 3394).

BILLS INTRODUCED

7. FARM MACHINERY. S. Res. 122, by Sen. Langer, to direct the Agriculture and Forestry Committee to investigate "the present high cost of farm machinery, tools, and equipment and the causes therefor"; to Agriculture and Forestry Committee. Sen. Langer inserted a letter on this subject from a farmer in N. Dak. (pp. 3351-2.)
8. ICE CREAM DAY. H. R. 3517, by Rep. Falloa, Md., designating June 15, 1951, as National Ice Cream Day; to Judiciary Committee (p. 3425).

ITEMS IN APPENDIX

9. NATURAL RESOURCES. Rep. Hope, Kans., inserted E. H. Taylor's (associate editor Country Gentleman) speech discussing "our lack of a sound national policy for the conservation of our renewable natural resources" (pp. A1852-3).
10. INDIA AID. Rep. Celler, N. Y., inserted a New Leader magazine article favoring shipment of wheat to India (pp. A1859-60).
11. ST. LAWRENCE SEAWAY. Rep. Van Zandt, Pa., inserted his radio address opposing this project (pp. A1839-40).
Sen. Green inserted a Christian Science Monitor editorial favoring the project (pp. A1842-3).
12. COPPER IMPORTS. Rep. Patterson, Conn., inserted a Mining Association of Mont. news letter favoring repeal of the import tax on copper (p. A1841).
13. INFLATION. Rep. Patterson inserted a Harper's magazine article discussing the effect of taxation on inflation (pp. A1843-4).
Rep. Lanham, Ga., inserted a Christian Science Monitor editorial, "Free-wheeling Down Inflation Hill" (p. A1859).

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COMMITTEE HEARINGS ANNOUNCEMENTS for Apr. 5: Jt. Committee on Defense Production (Harrison to testify); Agriculture-Interior-Commerce subcommittee, weather control; S. Finance, trade agreements; S. Small Business, rubber situation; S. Appropriations, independent offices (ex.); S. Appropriations, Treasury-Post Office and Labor-Federal Security (ex.); H. Appropriations, civil functions and Commerce (ex.); H. Foreign Affairs, deny aid to countries exporting materials to Russia (ex.); H. Post Office, to adjust postal rates; H. Public Works, St. Lawrence seaway; H. Ways and Means, revenue revision (ex.).

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dian several years ago and put up for sale recently by the Justice Department, be not sold, but be held by the United States until it can appropriately be returned to the German people.

I see by this morning's paper that although bids for the Embassy have been rejected, officials of the Justice Department are now negotiating with the bidders with a view of securing a better offer than the highest bid.

I am shocked and discouraged at this news. After the bids had been opened, and it had been discovered none of the bids were worthwhile from a financial standpoint, I had supposed that the whole project of selling the building might be dropped. Certainly this renewed indication of your intention to sell the building will be a psychological blow to our efforts to arrive at a reconciliation with the German people.

The embassies and legations of all the other former enemy countries were either returned to them when new governments were established, or else are still in the hands of the United States, with a view to their ultimate return. We have been particularly tender of the feelings of those former enemy countries which are now Communist puppets, in the way of returning their official diplomatic buildings to them. Singling out the German Embassy for sale into private hands will be felt by all Germans as an act of rank discrimination. It will hinder immeasurably our efforts to arrive again at some peaceful relationship with the new Germany.

I want to urge again in the strongest possible terms that this building not be sold, and that these negotiations for sale be called off immediately. I believe it is ridiculous, on the one hand to talk about our desire to restore Germany to the family of nations, while on the other hand, we constantly take these actions that are calculated to destroy any faith that the Germans may have in our purposes.

Sincerely yours,

HUGH BUTLER,
United States Senator, Nebraska.

No. 60—7

NATIONAL DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERV- ICES

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 182, Senate bill 349.

The VICE PRESIDENT. The secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense, which had been reported from the Committee on Banking and Currency with an amendment.

Mr. McFARLAND obtained the floor.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield to the Senator from Illinois.

Mr. McCLELLAN. Mr. President, I move that the Senate reconsider the vote by which Senate Concurrent Resolution 18 was agreed to.

Mr. WATKINS. Mr. President, I move to lay on the table the motion to reconsider.

Mr. McFARLAND. Mr. President, a point of order. It is too late to move to reconsider the vote.

The VICE PRESIDENT. The Senator from Arizona yielded to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I submit an amendment to Senate bill 349, the unfinished business, and I ask that it be printed and lie on the table.

The VICE PRESIDENT. The amendment will be received and printed, and lie on the table.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which Senate Concurrent Resolution 18 was agreed to.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Arkansas.

Mr. McFARLAND. A point of order, Mr. President. There is pending business before the Senate. A motion to lay on the table is not in order.

The VICE PRESIDENT. The Chair did not hear the Senator from Arizona.

Mr. McFARLAND. There is pending business before the Senate. A motion to lay on the table is not in order.

The VICE PRESIDENT. The Senator is correct. The point of order is sustained.

RECESS

Mr. McFARLAND. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 8 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 5, 1951, at 12 o'clock meridian.

House of Representatives

WEDNESDAY, APRIL 4, 1951

The House met at 12 o'clock noon.

Rev. W. Fred Swank, pastor of Sagamore Hill Baptist Church, Fort Worth, Tex., offered the following prayer:

Our Heavenly Father, we are grateful for these United States and for this House of Representatives. We invoke Thy blessings upon our President today, upon this Congress, and upon every deliberation here. We pray for peace to come in our world. We pray that the divine hand of God might direct us in these perilous hours toward this peace.

We remember Thy blessings upon our country as you have given to us our glorious heritage. We would not forget our men and women, our boys and girls, throughout the breadth of our land. We call down Thy blessings upon our Armed Forces, Thy protection upon our service men and women in Korea.

Lead us this day to do Thy will and lead us to a spiritual awakening in our Nation. Forgive us our sins and remember them no more against us forever, for we pray it in Jesus' name and for His sake. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO COMMITTEES TO SIT DURING SESSIONS OF HOUSE

The SPEAKER. The Chair desires to make a statement.

Some Members misunderstood the Chair yesterday when the Chair said there would be no more committee sittings during the sessions of the House when important bills were under consideration. The Chair, of course, meant while the bill was being read for amendment.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surplus Property of the Committee on Expenditures in the Executive Departments may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CALL OF THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 22]

Albert	Fugate	Multer
Allen, Ill.	Gamble	Murphy
Allen, La.	Garmatz	Murray, Wis.
Armstrong	Gillette	O'Brien, Ill.
Bakewell	Gordon	O'Konski
Baring	Halleck	Ostertag
Barrett	Havener	Passman
Beamer	Heller	Phillips
Beckworth	Hill	Poage
Bolling	Hunter	Powell
Bolton	Jackson, Calif.	Prouty
Boykin	Jackson, Wash.	Rains
Brown, Ohio	Javits	Redden
Brownson	Kee	Riehlman
Buchanan	Kennedy	Roosevelt
Canfield	Kersten	Sabath
Carnahan	Kilburn	Sasser
Chelf	Klein	Scott, Hardie
Combs	Kluczyński	Scott,
Cooper	Larcade	Hugh D., Jr.
Coudert	Latham	Shelley
Crosser	McGrath	Spence
Curtis, Mo.	McKinnon	Springer
Curtis, Nebr.	Machrowicz	Stanley
Dawson	Mansfield	Tackett
Deane	Meador	Talle
Dingell	Miller, Nebr.	Welch
Dollinger	Miller, N. Y.	Widnall
Dondoro	Mitchell	Willis
Dorn	Morrison	Wood, Ga.
Ellsworth	Morton	
Evins	Moulder	

The SPEAKER. On this roll call, 338 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PEANUT ACREAGE ALLOTMENT

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2615) to amend the Agricultural Adjustment Act of 1938, as amended, with a Senate amendment and agree to the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"1. Subsection (c) is amended to read as follows:

"(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of 2,130,000 acres, or (b) the State's share of 2,100,000 acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the 5 years 1945-49: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allot-

ment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

"(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding 5 years, adjusted for trends in yields and abnormal conditions of production affecting yields in such 5 years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-52 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts of such type or types in 3 years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments."

"2. Subsection (d) is amended by changing the second sentence to read as follows:

"(d) The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts."

"3. Add new subsections (e), (f), (g), and (h) as follows:

"(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and if the Secretary determines that such action will facilitate the effective administration of the provisions of the act, provide for the apportionment of the State

acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the 5 years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

"(f) Not more than 1 percent of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past 3 years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

"(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a 3-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

"(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within 5 years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 percent of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the

allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

"SEC. 2. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"1. Subsection (a) is amended by adding at the end thereof a new sentence as follows: 'Notwithstanding any other provisions of this title, no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption.'

"2. Subsection (g) is amended by (1) adding after '1947' in the first sentence the words 'or 1948, if no peanuts were harvested on the farm in 1947,' (2) striking out after the word 'That,' where it first appears in the proviso, the following words: 'for the 1950 crop,' and (3) by inserting the following new sentences after the fifth sentence: 'As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies.'

"Sec. 3. The first sentence of section 363 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: 'Any farmer who is dissatisfied with his farm marketing quota may, within 15 days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary.'

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain what the amendment is?

Mr. COOLEY. The effect of the amendment is to decrease by about 50 percent the peanut-acreage allotment which had been authorized in the House bill. I am sure the gentleman will recall that the bill had two purposes: First, to permit the Secretary of Agriculture to liberalize acreage in the Virginia-North Carolina area where the edible peanut is grown, so that the acreage might be increased as much as might be necessary to meet the consumer demands; and, second, to correct an inequity in Alabama and Texas which resulted from a bill which we passed in 1949.

Mr. MARTIN of Massachusetts. I understand there is general agreement among the committee members and that this is acceptable.

Mr. COOLEY. The gentleman is correct.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I shall not object to this request, for the simple reason that the bill as now presented to us is a little

improvement over the hideous law we now have. But it all goes in the wrong direction. This regimentation of the American farmers is heading toward the same kind of regimentation suffered by the people behind the iron curtain. I sincerely hope that the committee will soon bring out a bill to repeal this whole program and restore the freedom of the American farmers.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

1951 AMENDMENTS TO THE UNIVERSAL MILITARY TRAINING AND SERVICE ACT

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1) to provide for the common defense and security of the United States and to permit the more effective utilization of manpower resources of the United States by authorizing universal military training and service, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 1, with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. VINSON. Mr. Chairman, I yield 45 minutes to the distinguished gentleman from North Carolina [Mr. BARDEN].

(Mr. BARDEN asked and was given permission to revise and extend his remarks.)

Mr. BARDEN. Mr. Chairman, I appreciate the very kind and generous consideration given me by my good friend, Chairman VINSON of Georgia. I do not have to state here my affection, and respect for and my confidence in that gentleman. I like to deal with him. Occasionally I am indiscreet enough to disagree with him.

You know, my good friend occupies the same position in this legislative body that the Sherman tank occupies in Army ordnance—he just comes through the door, cranks up and rolls on. That is the result of years of fine service and the confidence of the House in his actions. But, as I say, I find myself at this time in disagreement with him concerning the pending bill.

There is a little matter that my friend referred to on yesterday. I would not accuse him of attempting to leave the wrong impression. But the manner in which he dealt with it, I fear, might have left the wrong impression. I interrupted the gentleman on the floor, and as soon as I had said as much as he thought I should have said, he brushed me off by saying, "Yes, I heard the gentleman in 1948, and he is of the same opinion." What the gentleman intended to convey was that my normal position is opposed to draft acts.

In 1940 the gentleman brought a draft bill to the floor. My vote was "yea." In 1941 the gentleman brought a draft

bill to the floor. My vote was "yea." In 1945 the gentleman brought another bill to the floor and my vote was "yea."

In 1948 the next bill came to the floor. In 1948 the gentleman brought a bill to the floor and my vote was "Nay." My vote was based on the ground that it was not necessary, and immediately following the passage of that bill the War Department suspended inductions and never used it any more, which absolutely justified my vote. In 1950 the gentleman brought a bill to the floor and my vote was "yea." So I am afraid the gentleman unintentionally intended to leave the impression that probably I had wavered in my support of measures that dealt with the safety and protection of this Nation.

I do not pose as an arm-chair general or admiral. That is the nickname that is applied generally to any man who dares to differ with those in military authority. I am perfectly willing for the military to conduct their campaigns, to run the military. That is their business. That is what we pay them for. I do not know how to run a campaign. I do not know how to operate an army. But, I have been in civil government for over 30 years, and this is the second legislative body that I have served in, and in that department I do not bow to generals or to admirals, and I have no hesitancy in saying that I know more about the civil government than they will ever know. I do not distrust them so long as the legislative body is performing their proper function, but remember this, gentlemen, men that are worth anything, men that get anywhere, are ambitious men, and a general would not be a general if he were not an ambitious man; he would probably be a private. So, we have our Government divided into the executive, the legislative, and the judicial. For what purpose? To keep our ship of state in balance, and we know how we shudder when any two of those departments begin to get close to merging. So I only fear the military chiefs when we ourselves permit them to invade and go into a field in which they are not well-versed and not qualified to be trusted with the internal workings of the Government.

I went before the Committee on Armed Services. I spent approximately an hour and a quarter there—I do not know, some lengthy time. The chairman was very kind to me. I went there because I was chairman of the Committee on Education and Labor, and I did not know of anything that made any greater contribution to America and to America's way of life, to its productivity and to making it the greatest nation on the face of this earth, than our colleges, junior colleges, and our school system. I thought there was where the chairman of the Committee on Education and Labor should be, and I did my best.

I attacked the first bill the War Department sent over here. If I have ever seen a horrible bill, of which they themselves should be ashamed, it was that bill. I want to compliment the chairman of the Committee on Armed Services and his great committee on literally tearing it to smithereens. You put some very

fine improvements in the bill that you have up for consideration now, because up until that moment the War Department had said, "Away with the colleges and the schools and the institutions of this country; the military is what we are concerned with."

I say to you today that when America should begin to shudder is when you begin to subordinate your economic, your educational, and your social life in America to the military. We have fortunately always been able to coordinate and carry the military along with our civil government. However, as ambitious men, as generals so often are, they are not content with going along. They want to lead. They want you to follow.

I do not want to be unkind to a single one of them. I have some very fine friends, very close personal friends, that are high military officials. I know them, I respect them, I have associated with them. There is not a man in this House who, if you had been exposed to the same environment and in command of the same type of camps, and in absolute command, if you please, would not before long begin to arrive at the point where you would believe that you were very properly in absolute command, and that the only thing necessary would be to extend the jurisdiction so you could run the whole works. That is confidence in one's self, and self-confidence is a necessary ingredient of a successful and respectable man, be he general or private citizen.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Missouri.

Mr. SHORT. How many of the gentleman's friends of the military could be elected to Congress?

Mr. BARDEN. I do not know, I will say to the gentleman. There are probably some of them that are better qualified than I, but they would have to change some of their ways of pollicking. They are probably very capable, but I am afraid the first order they would issue might not be fully obeyed.

Where are we at this time? We are in a horrible war. You can call it a police action, you can call it what you please, but when 60,000 American boys are being killed and wounded it is no police action, in my book. It is a war.

I have no hesitancy in making this statement, that a war of that proportions is not properly in existence unless the United States Congress has declared war.

If you do not believe the American people think that way, go down and have a little chat with them. I listen to the radio. I know the responsibility which rests on my shoulders, and that responsibility rests equally upon every one of you. Here we sit today and the American people feel that the responsibility is on our shoulders for the conduct of this war. What do we know about it? You are as ignorant of the whole operation as I am. You do not know where they are going and where they are going to stop. You do not even know who is commander in chief, whether it is Dean Acheson or General

MacArthur. So far as I am concerned, as long as I am dealing with legislation which affects the American people and my constituency, to the extent that this legislation affects them, for in effect we are measuring out their blood by the gallon, I am not going to flinch from an expression of my honest and sincere opinion on this matter. I do not care whether they put my name in some kind of a black book, or what they do, but I know one thing, my people will welcome me back home if it gets too hot for me here, and after all they are the ones I am most concerned about.

Now we are fixing to pass some legislation to deal with this war. And what do we do? In the midst of war with everything geared so that the atmosphere is tense, we are not thinking along peaceful lines as we normally would if this world and this country were at peace, but we are presented with a Draft Act. I must say that it is necessary to continue the Draft Act. It is perfectly proper, and every man and woman in the House of Representatives knows that it is necessary to continue the Draft Act. Everyone knows it is necessary to have it now and everyone in the House knows that to tie in this UMT bill will not help the present situation for it will not go into operation for from 1 to 3 years from now. They cannot put it into effect for a year or two, or perhaps 3 years. The chairman kindly skipped over that yesterday and he was very indefinite as to when it could be put into effect.

Who are we? Have we lost confidence in our democratic form of government? Are we unwilling to trust to future Congresses to pass upon such momentous matters when they present themselves, or are we at this time to assume that we are the best Congress that will ever be here, and the only group of men capable of passing a universal military training bill. The issue here is not whether you are opposed to a universal military training bill or not. As a matter of fact I can easily visualize a universal military training bill which I could go along with. If our educational program is coordinated with it in such a way that our American way of life will not be subordinated to the military. But for heaven's sake why should we attempt to write it in with an emergency wartime draft bill at this time and then in a kind of halfway measure?

The universal military training bill, which we have for consideration here is not a complete bill. I do not know what is going to happen when that board or commission is appointed. I do not know what arrangements they are going to make. You do not know what distribution of soldiers or of the marines or Navy men will be made, and what will happen to the Marine Corps I do not know. I know one thing, however, if that bill had been in effect when Louis Johnson was Secretary of Defense, I am afraid the Marine Corps would now be a has-been. That is just an honest statement. In my book there is no finer group of trained men, there is not a better group of fighting men, there is not a finer outfit on earth when it comes to defending this country, than the United States

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Public Law 17 - 82d Congress
Chapter 28 - 1st Session
H. R. 2615

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

1. Subsection (c) is amended to read as follows:

"(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of two million one hundred thousand acres, or (b) the State's share of two million one hundred thousand acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the five years 1945-1949: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

"(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, adjusted for trends in yields and abnormal conditions of production affecting yields in such five years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-1952 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts of such type or types in the three years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments."

2. Subsection (d) is amended by changing the second sentence to read as follows:

"(d) The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the three calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal

conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts."

3. Add new subsections (e), (f), (g), and (h) as follows:

"(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

"(f) Not more than one per centum of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

"(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

"(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined

for the farm so acquired: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland on the farm.

"The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm."

SEC. 2. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

1. Subsection (a) is amended by adding at the end thereof a new sentence as follows: "Notwithstanding any other provisions of this title, no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption."

2. Subsection (g) is amended by (1) adding after "1947" in the first sentence the words "or 1948, if no peanuts were harvested on the farm in 1947", (2) striking out after the word "That," where it first appears in the proviso, the following words: "for the 1950 crop", and (3) by inserting the following new sentences after the fifth sentence: "As an alternative to designated agencies paying the prevailing oil value for such excess peanuts of any type in insufficient supply and the subsequent distribution of sales proceeds therefrom in accordance with the foregoing provisions of this subsection, the Secretary may also authorize peanut buyers approved pursuant to regulations of the Secretary to purchase such peanuts from producers at prices not less than those at which such peanuts may be sold for cleaning and shelling by the Commodity Credit Corporation. In the event of such authorization by the Secretary, producers shall have the option of either delivering such peanuts to designated agencies or selling such peanuts to approved peanut buyers, and such sales to approved buyers shall have the same effect, with respect to avoidance of the marketing penalty and classification of producers as cooperators, as deliveries to designated agencies."

SEC. 3. The first sentence of section 363 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary."

Approved April 12, 1951.

